

The Hearing Board declared the hearing closed after receiving testimony and took the matter under submission for the decision. The Hearing Board made the following findings of fact.

Petitioner Aera Energy LLC
Docket No. S-26-02S
Date February 11, 2026
Page 2

LOCATION AND EQUIPMENT

1. AERA operates the Section 32 SulfurOx Plant within the Belridge Oil Field.
2. The subject equipment consists of a series of steam generators.
3. The operation of the subject equipment is authorized by duly issued District permits.

BACKGROUND

AERA has light crude oil production operations within the Belridge Oil Field. Water and gases are produced with the light crude oil. The gases are separated and collected by the gas gathering system. Under normal operation, the collected gases are compressed and piped to the Section 32 SulfurOx Plant for processing. After sulfur and liquids are removed, the treated gas from the plant is sent to the field where its primary use is to fuel steam generators.

AERA will need to shut down the Section 32 SulfurOx Plant for annual cleaning/maintenance of the processing equipment. This will include internal vessel cleanings and repairing any leaks that have been delayed until a scheduled shutdown. Gas containing approximately 1300 ppm hydrogen sulfide (H₂S) will be sent to the field, affecting SO_x emissions at steam generators. This residue gas is mixed with pipeline quality gas prior to being burned in generators; the mixture is estimated to have 1200 ppm sulfur upon arrival at the burners.

AERA estimates the work can be accomplished in 120 hours, however AERA proposes that this variance allow up to 240 non-consecutive hours of SulfurOx Plant downtime to ensure adequate recovery time in the event that any unexpected complications arise.

RULE REQUIREMENTS

1. The equipment subject to this variance is regulated by the following District Rules:
 - A. 2070 – *Standards for Granting Applications*
 - B. 2080 – *Conditional Approval*
 - C. 2201 – *New and Modified Stationary Source Review Rule*
 - D. 2520 – *Federally Mandated Operating Permits*
 - E. 4201 – *Particulate Matter Concentration*
 - F. 4301 – *Fuel Burning Equipment*
 - G. 4305 – *Boilers, Steam Generators, and Process Heaters – Phase 2*
 - H. 4306 – *Boilers, Steam Generators, and Process Heaters – Phase 3*
 - I. 4320 – *Advanced Emission Reduction for Boilers, Steam Gen & Process Heaters Greater than 5.0 MMBTU/HR*
 - J. 4405 – *Oxides of Nitrogen Emissions from Existing Steam Generators Used in Thermally Enhanced Oil Recovery – Central and Western Kern County Fields*
 - K. 4406 – *Sulfur Compounds from Oil-Field Steam Generators – Kern County*
 - L. 4801 – *Sulfur Compounds*

Petitioner Aera Energy LLC
Docket No. S-26-02S
Date February 11, 2026
Page 3

2. District Rules 2070, 2080, and 2520 require that the subject equipment be operated in compliance with all applicable conditions of the subject permits. District Rules 2201, 4201, 4301, 4305, 4306, 4320, 4405, 4406, and 4801 require the subject equipment to meet certain emission limits.

FINDINGS OF FACT

Pursuant to California Health & Safety Code § 42352, the following findings have been made:

1. ***That the petitioner for a variance is, or will be, in violation of Section 41701 or of any rule, regulation, or order of the District.***

The Hearing Board finds that AERA will be in violation of applicable requirements of District Rules 2070, 2080, 2201, 2520, 4201, 4301, 4305, 4306, 4320, 4405, 4406, and 4801, in addition to the applicable conditions of the subject permits when they send field gas with a high concentration of H₂S to steam generators for combustion, which will result in the steam generators producing excess SO_x emissions.

2. ***That, due to conditions beyond the reasonable control of the petitioner, requiring compliance would result in either (1) an arbitrary or unreasonable taking of property, or (2) the practical closing and elimination of a lawful business.***

The Hearing Board finds that it is beyond the reasonable control of AERA to comply with applicable District rules and permit conditions while the SulfurOx Plant is shut down for the scheduled maintenance work. AERA could shut down the gas flow, but it will also stop 20,500 barrels per day of oil production which would result in a loss of approximately \$963,500 per day, at a price of \$47/bbl. It would be a taking of property if AERA were not allowed to manage their equipment in a way that assures long term compliance.

3. ***That the closing or taking would be without a corresponding benefit in reducing air contaminants.***

The Hearing Board finds that if AERA were to stop production during the maintenance on the SulfurOx Plant instead of obtaining a variance, it would be a large undertaking to shut down the numerous steam generators and shut-in production. With the steam generators and wells shut down, gas production would decrease, but there is still a potential for some gas to go to the emergency flare and/or venting to occur in the fields which would directly emit H₂S into the atmosphere. Also, upon restarting production there would be the potential for liquid and gas leaks at the wellheads, in addition to increased start-up emissions from each of the steam generators. The variance would shorten the overall duration of the work to be performed and prevent field gas from venting by utilizing the steam generators to combust the gas.

4. ***That the applicant for the variance has given consideration to curtailing operations of the source in lieu of obtaining a variance.***

The Hearing Board finds that an operational curtailment was considered, but since the scheduled work is expected to take no more than 240 non-consecutive hours, shutting down the surrounding oil field was not considered economically viable. AERA will mitigate excess

Petitioner Aera Energy LLC
Docket No. S-26-02S
Date February 11, 2026
Page 4

emissions by ensuring that work crews are adequately staffed and all necessary materials are readily available to minimize the time the plant is shut down.

5. *During the period the variance is in effect, that the applicant will reduce excess emissions to the maximum extent feasible.*

The Hearing Board finds that AERA will ensure the work crews are adequately staffed and that all necessary materials are readily available to minimize the amount of sulfur treatment plant downtime. In addition, the field gas is mixed with clean PUC quality gas before combustion in the steam generators which will help reduce SO_x emissions.

6. *During the period the variance is in effect, that the applicant will monitor or otherwise quantify emission levels from the source, if requested to do so by the District, and report these emissions levels to the District pursuant to a schedule established by the District.*

The Hearing Board finds that fuel gas flow rates and actual H₂S content will be monitored during the plant shutdown via existing meters and Draeger tubes. This data will be used to estimate actual excess emissions.

GENERAL COMMENTS

The Hearing Board also finds that a nuisance as defined in District Rule 4102 is not expected to occur as a result of this variance. Nor would continued operations likely create an immediate threat or hazard to public health or safety.

It should be noted that the US Environmental Protection Agency (EPA), which monitors major sources, might not recognize this variance. AERA should be aware that the EPA could take enforcement action on this matter if it deems such action is appropriate.

CONCLUSIONS AND ORDER

NOW, THEREFORE, the SOUTHERN REGION HEARING BOARD ORDERS that a short variance be granted to AERA, subject to the following conditions:

1. The variance shall be effective for a non-consecutive 240-hour period to occur sometime between February 17, 2026, and May 17, 2026, inclusive, or until all necessary cleaning and maintenance work is completed on the Section 32 SulfurOx Plant and same is returned to normal operation, whichever occurs first.
2. Variance protection shall be granted from the applicable requirements of District Rules 2070, 2080, 2201, 2520, 4201, 4301, 4305, 4306, 4320, 4405, 4406, and 4801 in addition to the following conditions:

Permit No	Condition number
S-1547-0000-05	Condition 10.
S-1547-0001-42	Conditions 17 & 18
S-1547-0003-37	Condition 9

Petitioner Aera Energy LLC
Docket No. S-26-02S
Date February 11, 2026
Page 5

S-1547-0007-38	Conditions 5, 6, and 7
S-1547-0066-29	Conditions 4, 5, and 6
S-1547-0074-36	Conditions 3, 4, and 5
S-1547-0086-41	Conditions 2, 3, 4, and 6
S-1547-0127-31	Conditions 3, 4 and 5
S-1547-0134-25	Conditions 4 and 6
S-1547-0139-23	Conditions 2, 3, and 4
S-1547-0141-35	Condition 16
S-1547-0142-34	Condition 15
S-1547-0143-35	Condition 16
S-1547-0144-38	Conditions 21 & 22
S-1547-0157-31	Conditions 14 and 15
S-1547-0250-34	Conditions 14 and 15
S-1547-0697-36	Conditions 2, 6, and 7
S-1547-0723-26	Conditions 19, 22 & 24
S-1547-0725-26	Conditions 3, 8, and 9
S-1547-0733-22	Conditions 8 and 14
S-1547-0735-24	Conditions 6 and 10
S-1547-0736-23	Conditions 8 and 9
S-1547-0737-23	Conditions 15 and 17
S-1547-0738-20	Condition 11
S-1547-0742-19	Condition 8
S-1547-0743-23	Conditions 10 and 11
S-1547-0744-23	Conditions 11 and 12
S-1547-0745-25	Conditions 9 and 10
S-1547-0746-24	Conditions 10 and 11
S-1547-0747-23	Conditions 11 and 12
S-1547-0748-23	Conditions 11 and 12
S-1547-0749-27	Conditions 9 and 12
S-1547-0760-22	Conditions 11 and 12
S-1547-0761-28	Condition 12
S-1547-0802-26	Condition 12
S-1547-0803-22	Condition 10
S-1547-0807-30	Conditions 12, 13 & 14
S-1547-0809-26	Conditions 8 and 9
S-1547-0833-29	Conditions 13 & 14
S-1547-0834-22	Conditions 11 and 12
S-1547-0835-26	Conditions 11 and 12
S-1547-0836-23	Condition 11
S-1547-0837-27	Conditions 11 and 15
S-1547-1034-25	Conditions 11, 12, and 13
S-1547-1035-27	Conditions 9, 15, and 16

3. The variance would allow field gas with excess H₂S to enter the fuel gas distribution system. In addition, it will allow the steam generators utilizing the gas as fuel to exceed their permitted SO_x emission limits.

Petitioner Aera Energy LLC
Docket No. S-26-02S
Date February 11, 2026
Page 6

4. AERA shall sample, analyze/measure, and record the sulfur content of the field gas entering into the fuel distribution system each day while the SulfurOx Plant is bypassed.
5. Combined fuel usage and sulfur content at Gen 2-3 setting shall keep fenceline SO₂ concentrations below 1 Hour Federal Standard of 196 ug/m³ and 24 Hour State Standard of 105 ug/m³.
6. At least one of SD generators shall not operate during the variance period.
7. Excess Emissions shall not exceed **69,821** pounds of SO_x over the duration of the variance period.
8. Excess emissions fee will be assessed at the conclusion of the variance at \$3.00 per pound. Additionally, should the total excess emissions exceed one ton (2,000 pounds), AERA shall pay \$3.75 for each pound of total excess emissions. Payment of the excess/mitigation emission fees shall occur within 30 days after the end of the variance. Payment shall be made to the District and shall be directed to the "Miscellaneous Incentive Grant – Hearing Board," account.
9. A Federal Title V deviation report shall be submitted to the District within 10 days each time a Federal Title V permit condition is violated. It should be noted that multiple deviation reports may need to be submitted during this variance period. The deviation report must be sent to the facility inspector.
10. Should the District receive complaints or if the facility experiences operational conditions likely to cause a public nuisance, AERA shall cease the operations causing the complaints or problems and take all necessary actions to abate the problem immediately.
11. AERA shall notify the District least 24 hours, but no earlier than 96 hours, prior to shutting down the Section 32 SulfurOx Plant. Notification shall be sent by email to Renee Chavez at renee.chavez@valleyair.org.
12. By June 1, 2026, or no later than 15 calendar days after the SulfurOx Plant returns to normal operation, whichever occurs first, AERA shall submit to the District a summary report. If the report due date should fall on a day the District is closed, it shall be due the next business day. The report shall include the following:
 - A. A summary of the activities performed during the variance period,
 - B. Records of volume of gas sent to the steam generators and the H₂S concentration of the gas,
 - C. A calculation of the excess emissions, and
 - D. The required certification of truth, accuracy, and completeness, signed by the designated responsible official of the Limited Liability Company, as required by Sections 9.13.1 and 10.0 of District Rule 2520 – *Federally Mandated Operating Permits*.

Petitioner Aera Energy LLC
Docket No. S-26-02S
Date February 11, 2026
Page 7

13. The end of variance summary report shall be submitted to the attention of

Chris Kalashian
SJVAPCD, Compliance Department
1990 E Gettysburg Avenue
Fresno, CA 93726
Telephone: (559) 230-5963
E-mail: chris.kalashian@valleyair.org

14. Failure to comply with any condition of this variance may render the variance null and void with the possibility of enforcement action taken that may include monetary penalties.

MOTION: Weber

SECOND: Miller

Ayes: Weber, Dunn, Miller

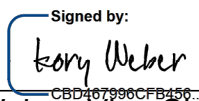
Noes: None

Abstained: None

Recused: None

Absent: Stovall, Na, Penner

THE FOREGOING DECISION IS APPROVED:

Signed by:

CBD467996CFB456...

Kory Weber, Vice-Chair
Hearing Board – Southern Region
San Joaquin Valley APCD

2/13/2026

Date

ATTEST:

Signed by:

5A5039220E1D454

Katrina Rojas, Deputy Clerk to the Boards

2/13/2026

Date

Certificate Of Completion

Envelope Id: 3215B490-936A-4164-B616-A5CD9B238660

Status: Completed

Subject: Complete with Docusign: Docket S-26-02S.pdf

Source Envelope:

Document Pages: 7

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Diseree Alvarez

AutoNav: Enabled

1990 E GETTYSBURG AVE

Envelopeld Stamping: Enabled

FRESNO, CA 93726

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Diseree.Alvarez@valleyair.org

IP Address: 12.219.204.250

Record Tracking

Status: Original

Holder: Diseree Alvarez

Location: DocuSign

2/13/2026 11:25:58 AM

Diseree.Alvarez@valleyair.org

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: SJVAPCD

Location: Docusign

Signer Events

Signature

Timestamp

Kory Weber

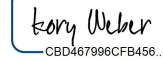
Kweber@madlandtoyota.com

Kory Weber

Madland Toyota - Lift Inc.

Security Level: Email, Account Authentication (None)

Signed by:


CBD467996CFB456...

Sent: 2/13/2026 11:26:47 AM

Viewed: 2/13/2026 2:53:15 PM

Signed: 2/13/2026 2:53:30 PM

Signature Adoption: Pre-selected Style

Using IP Address:

2607:fb91:433:5a2b:5925:d0a5:3426:8df2

Signed using mobile

Electronic Record and Signature Disclosure:

Accepted: 2/13/2026 2:52:06 PM

ID: 40a8e39a-86d1-43cb-8d15-a1b62cb27111

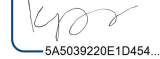
Katrina Rojas

katrina.rojas@valleyair.org

Operations Support Supervisor

Security Level: Email, Account Authentication (None)

Signed by:


5A5039220E1D454...

Sent: 2/13/2026 2:53:32 PM

Viewed: 2/13/2026 3:18:38 PM

Signed: 2/13/2026 3:18:51 PM

Signature Adoption: Drawn on Device

Using IP Address: 12.219.204.250

Electronic Record and Signature Disclosure:

Not Offered via Docusign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/13/2026 11:26:47 AM
Certified Delivered	Security Checked	2/13/2026 3:18:38 PM
Signing Complete	Security Checked	2/13/2026 3:18:51 PM
Completed	Security Checked	2/13/2026 3:18:51 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, SJVAPCD (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact SJVAPCD:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: imtiazh.haq@valleyair.org

To advise SJVAPCD of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at imtiazh.haq@valleyair.org and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from SJVAPCD

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to imtiazh.haq@valleyair.org and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with SJVAPCD

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to imtiazhq@valleyair.org and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify SJVAPCD as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by SJVAPCD during the course of your relationship with SJVAPCD.



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

PROOF OF SERVICE

I, Bailey Chavez, declare:

I am a resident of the State of California and over the age of 18 years, and not a party to the within action; my business address is San Joaquin Valley Air Pollution Control District, 1990 E. Gettysburg, Fresno, California 93726.

On February 23, 2026, I served the within documents:

ORDER GRANTING A VARIANCE – **DOCKET No. S-26-02S**

☒ by placing the document(s) listed above in a sealed envelope, and placing the same for mailing in the United States mail at Fresno, California, in accordance with the company's ordinary practices, and addressed as set forth below.

☒ based on an agreement of the parties with email addresses below, to accept service by transmitting via email the above listed document(s) to the email addresses set forth below on this date before 5 p.m.

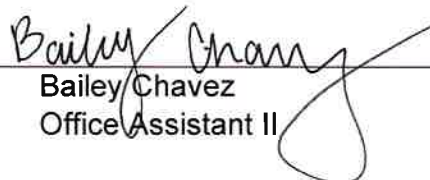
☐ by personally delivering the document(s) listed above to the person(s) at the address(s) set forth below:

Sam Parks
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

Roshni Brahmabhatt
USEPA Region IX
75 Hawthorne Street
San Francisco, CA 94105-3901
AEO_R9@epa.gov
CARB – Enforcement Division
PO Box 2815
Sacramento, CA 95814
variance@arb.ca.gov

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on February 23, 2026, at Fresno, California.


Bailey Chavez
Office Assistant II

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

Central Region Office
1990 East Gettysburg Avenue
Fresno, CA 93726-0244
(559) 230-6000 ♦ FAX (559) 230-6062
www.valleyair.org

Southern Region Office
34946 Flyover Court
Bakersfield, CA 93308-9725
(661) 392-5500 ♦ FAX (661) 392-5585