

**SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT  
SOUTHERN REGION  
34946 Flyover Court  
Bakersfield, California 93308  
(661) 392-5500**

**STAFF REPORT**

**February 11, 2026**

**SHORT VARIANCE**

**DOCKET No. S-26-02S**

**FACILITY:** Aera Energy LLC  
PO Box 11164  
Bakersfield, CA 93389

**LOCATION:** Section 32 SulfurOx Plant  
Belridge Oil Field  
59231 Main Camp Rd  
McKittrick, CA 93251

**RULE VIOLATION(S):** 2070 – *Standards for Granting Applications*  
2080 – *Conditional Approval*  
2201 – *New and Modified Stationary Source Review Rule*  
2520 – *Federally Mandated Operating Permits*  
4201 – *Particulate Matter Concentration*  
4301 – *Fuel Burning Equipment*  
4305 – *Boilers, Steam Generators, and Process Heaters – Phase 2*  
4306 – *Boilers, Steam Generators, and Process Heaters – Phase 3*  
4320 – *Advanced Emission Reduction for Boilers, Steam Gen &  
Process Heaters Greater than 5.0 MMBTU/HR*  
4405 – *Oxides of Nitrogen Emissions from Existing Steam  
Generators Used in Thermally Enhanced Oil Recovery –  
Central and Western Kern County Fields*  
4406 – *Sulfur Compounds from Oil-Field Steam Generators – Kern  
County*  
4801 – *Sulfur Compounds*

**PERMIT NUMBERS:** See Recommendations

**EPA AIRS NUMBERS:** 06-029-S1547

**NOV NUMBER:** N/A

**TYPE OF BUSINESS:** Crude Oil and Gas Production

**NATURE OF THE PROBLEM:**

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 (H<sub>2</sub>S) will be sent to the field, affecting SO<sub>x</sub> 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.

#### **PETITIONER'S REQUEST:**

AERA has requested a short variance from applicable requirements of District Rules 2070, 2080, 2201, 2520, 4201, 4301, 4305, 4306, 4320, 4405, 4406, and 4801 in addition to applicable conditions of the subject permits. The requested variance would be for a non-consecutive 240-hour period to occur sometime between February 17, 2026, and May 17, 2026, inclusive. If granted, the variance would allow AERA to shut down the Section 32 SulfurOx Plant for annual cleaning/maintenance of the processing equipment.

#### **EXCESS EMISSIONS:**

AERA has calculated that in a worst-case scenario, the excess emissions for a full 240-hour period will be **59,221** pounds of SO<sub>x</sub>. AERA will ensure that work crews are adequately staffed and all necessary materials are readily available to minimize the time the plant is shut down.

The District has reviewed AERA's calculations and finds them to be adequate for this variance.

#### **IMMEDIATE COMPLIANCE:**

AERA is currently in compliance.

#### **COMMENTS ON REQUIRED FINDINGS:**

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.***

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 H<sub>2</sub>S to steam generators for combustion, which will result in the steam generators producing excess SO<sub>x</sub> 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.***

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.***

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 H<sub>2</sub>S 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.***

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 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.***

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<sub>x</sub> 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.***

Fuel gas flow rates and actual H<sub>2</sub>S content will be monitored during the plant shutdown via existing meters and Draeger tubes. This data will be used to estimate actual excess emissions.

**ADDITIONAL COMMENTS:**

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, should it be granted. AERA should be aware that the EPA could take enforcement action on this matter if it deems such action is appropriate.

## RECOMMENDATIONS:

Should the Southern Region Hearing Board make the required findings and move to grant a short variance to AERA, the District recommends 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               |
| 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 H<sub>2</sub>S 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<sub>x</sub> emission limits.
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 SO<sub>2</sub> concentrations below 1 Hour Federal Standard of 196 ug/m<sup>3</sup> and 24 Hour State Standard of 105 ug/m<sup>3</sup>.
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<sub>x</sub> 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 H<sub>2</sub>S 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*.
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) 230-6000  
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.