

**BEFORE THE HEARING BOARD OF THE
SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT
SOUTHERN REGION
STATE OF CALIFORNIA**

In the matter of:

Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

) **DOCKET No. S-26-13S**

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) **ORDER GRANTING**

) **A SHORT VARIANCE**

For a variance from:

2070 – *Standards for Granting Applications*
2080 – *Conditional Approval*
2201 – *New and Modified Stationary Source
Review Rule*
2520 – *Federally Mandated Operating Permits*
4101 – *Visible Emissions*
4102 – *Nuisance*
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*

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District Permit Numbers:

See Conclusions and Order

) **Granted on:** July 8, 2026

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) **Effective from:** July 9, 2026

EPA AIRS Numbers:

06-029-S1547

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) **Effective to:** September 7, 2026

On June 15, 2026, Aera Energy LLC (AERA) filed with the Southern Region Hearing Board a petition for a short variance. An interim variance was not required. Notice of the short variance petition and the hearing were given for at least 10 days prior to the hearing. AERA requested that the Hearing Board grant a short variance from San Joaquin Valley Air Pollution Control District (District) Rules 2070, 2080, 2201, 2520, 4101, 4102, 4201, 4301, 4305, 4306, 4320, 4405, 4406, and 4801.

On July 8, 2026, a hearing on the petition for a short variance was held. Sam Parks and Brandon Hillis represented AERA, while Will Coon represented the District. All persons, including the public, were given the opportunity to give testimony or make comment.

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.

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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

The 2-3 SOx Plant receives the produced gas. The plant is equipped with a sulfur treatment system to further reduce the sulfur from the gas before it is sent to a bank of steam generators. Area is planning to bypass the 2-3 SOx plant to perform cleaning and other necessary maintenance on the plant. Normally, the scrubbed Casing Vapor Recovery (CVR) gas contains less than 200 ppm sulfur. While the SOx plant is bypassed, CVR gas containing as much as 1550 ppm hydrogen sulfide (H₂S) will be burned in the steam generators at this setting.

AERA estimates the work can be accomplished in 24 hours, however AERA proposes that this variance allow up to 48 non-consecutive hours of SOx Plant downtime to ensure adequate recovery time in the event that any unexpected complications arise.

Therefore, AERA requests a short variance be granted for up to 48 hours of sulfur removal plant shutdown time between July 9, 2026, and September 7, 2026. It is expected that the hours will be consecutive, but AERA would like to reserve the option to have them non-consecutive.

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. 4101 – *Visible Emissions*
 - F. 4102 – *Nuisance*
 - G. 4201 – *Particulate Matter Concentration*
 - H. 4301 – *Fuel Burning Equipment*
 - I. 4305 – *Boilers, Steam Generators, and Process Heaters – Phase 2*
 - J. 4306 – *Boilers, Steam Generators, and Process Heaters – Phase 3*
 - K. 4320 – *Advanced Emission Reduction for Boilers, Steam Gen & Process Heaters*
 - L. *Greater than 5.0 MMBTU/HR*
 - M. 4405 – *Oxides of Nitrogen Emissions from Existing Steam Generators Used in Thermally Enhanced Oil Recovery – Central and Western Kern County Fields*
 - N. 4406 – *Sulfur Compounds from Oil-Field Steam Generators – Kern County*
 - O. 4801 – *Sulfur Compounds*

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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, 4101, 4102, 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 720 barrels per day of oil production which would result in a loss of approximately \$50,400.00 per day, at a price of \$70/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 due to the estimated amount of emissions and the short duration of the proposed maintenance activities, a closing or taking would be without a corresponding benefit in reducing air contaminants. A closing or taking would cause the surrounding oil fields to cease production and result in the loss of 720 barrels per day of production at the Belridge Oil Field with a financial loss of approximately \$50,400.00 per day.

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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 48 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.*

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 48-hour period to occur sometime between July 9, 2026, and September 7, 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, 4101, 4102, 4201, 4301, 4305, 4306, 4320, 4405, 4406, and 4801 in addition to the following conditions:

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PERMIT NUMBER	CONDITION NUMBER
S-1547-0-5	Condition 10
S-1547-0359-34	Condition 10
S-1547-0745-28	Condition 15
S-1547-0746-27	Condition 16
S-1547-0747-26	Condition 17
S-1547-0748-26	Condition 17
S-1547-0749-30	Condition 15
S-1547-0733-25	Condition 14
S-1547-0744-26	Condition 17
S-1547-0760-21	Condition 11
S-1547-0834-25	Condition 17
S-1547-0835-29	Condition 17

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.
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 SO_x Plant is bypassed.
5. Excess Emissions shall not exceed **2,274** pounds of SO_x over the duration of the variance period.
6. 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.
7. 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.
8. 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.
9. AERA shall notify the District least 24 hours, but no earlier than 96 hours, prior to shutting down the Section 32 SO_x Plant. Notification shall be sent by email to Renee Chavez at renee.chavez@valleyair.org.

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10. By September 22, 2026, or no later than 15 calendar days after the SO_x 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*.
11. The end of variance summary report shall be submitted to the attention of

Will Coon, Air Quality Specialist
SJVAPCD, Compliance Department
1990 E Gettysburg Avenue
Fresno, CA 93726
Telephone: (559) 230-5878
E-mail: will.coon@valleyair.org
12. 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.

SECOND: Penner

Ayes:	Miller, Penner, Weber, Welz
Noes:	None
Abstained:	None
Recused:	None
Absent:	Dr. Na, Stovall

- Signed by:

Kory Weber

-CBD467996CFB456..

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

7/13/2026

Date _____

Signed by:

1402

-5A5039220F1D454

Katrina Rojas, Deputy Clerk to the Boards

7/13/2026

Date _____

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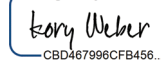
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Katrina Rojas

katrina.rojas@valleyair.org

Operations Support Supervisor

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Envelope Sent	Hashed/Encrypted	7/13/2026 11:32:15 AM
Certified Delivered	Security Checked	7/13/2026 11:34:14 AM

Envelope Summary Events	Status	Timestamps
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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.

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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 July 13, 2026, I served the within documents:

ORDER GRANTING A VARIANCE – DOCKET No. S-26-13S

☒ 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.

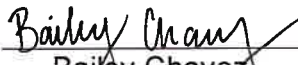
☐ by personally delivering the document(s) listed above to the person(s) at the address(s) set forth below:

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

Roshni Brahmhatt
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 July 13, 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