NOTICE OF FINAL ACTION
FOR THE ISSUANCE OF AUTHORITY
TO CONSTRUCT PERMITS

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Authority to Construct permits to Exaro Energy, LLC. for changes to the natural gas processing facility, at Kettleman Hills, CA (NE/4 Section 30, T23S, R19E).

All comments received following the District's preliminary decision on this project were considered.

Comments received by the District during the public notice period resulted in removal of the source test requirements for the 0.08 MMBtu burner listed on glycol reboiler (C-7671-14), the loading rack's control device (C-7671-14), and the coanda effect flare (C-7671-16-1). These changes were minor and did not trigger additional public notification requirements, nor did they have any impact upon the Best Available Control Technology determination or on the amount of offsets required for project approval.

The application review for Project #C-1102812 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, REGION'S ADDRESS.
Howard Caywood  
Exaro Energy, LLC.  
800 Gessner, Suite 900  
Houston, Texas, 77024

RE: Notice of Final Action - Authority to Construct  
Project Number: C-1102812

Dear Mr. Caywood:

The Air Pollution Control Officer has issued Authority to Construct (ATC) permits to Exaro Energy, LLC. for changes to the natural gas processing facility, at Kettleman Hills, CA (NE/4 Section 30, T23S, R19E). 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 this Authority to Construct was published on October 4, 2010. The District's analysis of the proposal was also sent to CARB on September 29, 2010. All comments received following the District's preliminary decision on this project were considered.

Comments received by the District during the public notice period resulted in removal of the source test requirements for the 0.08 MMBtu burner listed on glycol reboiler (C-7671-14), the loading rack's control device (C-7671-14), and the coanda effect flare (C-7671-16-1). These changes were minor and did not trigger additional public notification requirements, nor did they have any impact upon the Best Available Control Technology determination or on the amount of offsets required for project approval.

The ATCs and an invoice for the engineering evaluation fees, pursuant to District Rule 3010, will be mailed under separate cover. Please remit the amount owed within 60 days.

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

Sincerely,

David Warner  
Director of Permit Services

DW:sdd  
Enclosures
RE: Notice of Final Action - Authority to Construct
Project Number: C-1102812

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued Authority to Construct permits to Exaro Energy, LLC. for changes to the natural gas processing facility, at Kettleman Hills, CA (NE/4 Section 30, T23S, R19E). Enclosed are copies of the Authority to Construct permits 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 this Authority to Construct was published on October 4, 2010. The District's analysis of the proposal was also sent to CARB on September 29, 2010. All comments received following the District's preliminary decision on this project were considered.

Comments received by the District during the public notice period resulted in removal of the source test requirements for the 0.08 MMBtu burner listed on glycol reboiler (C-7671-14), the loading rack's control device (C-7671-14), and the coanda effect flare (C-7671-16-1). These changes were minor and did not trigger additional public notification requirements, nor did they have any impact upon the Best Available Control Technology determination or on the amount of offsets required for project approval.

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

Sincerely,

David Warner
Director of Permit Services

DW:sdd

Enclosures
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-1-1

LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GESSNER, SUITE 900
HOUSTON, TX 77024

LOCATION: GAS PROCESSING PLANT
KETTLEMAN, CA

SECTION: NE30 TOWNSHIP: 23S RANGE: 19E

EQUIPMENT DESCRIPTION:
MODIFICATION OF GAS PLANT INCLUDING GAS INTAKE SYSTEM, LOW TEMPERATURE SEPARATION UNIT, JT UNIT, AND STABILIZER UNIT (OR EQUIVALENT). REVISE EQUIPMENT TO THE FOLLOWING — TWO FIN FAN COOLERS, SCRUBBER (V-101), FILTER SCRUBBER (V-102), COOLER FAN, HP SCRUBBER (V-100), REFRIGERATION UNIT WITH TWO HEAT EXCHANGERS AND A CONDENSER, AND A JT UNIT

CONDITIONS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule]

2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

3. 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]

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

5. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 2201]

6. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities < 10,000 ppmv screening value ranges emissions factors. [District Rule 2201]

7. VOC fugitive emissions from gas plant shall not exceed 1.5 lb/day. [District Rule 2201]

8. Permittee shall comply with applicable monitoring, inspection, maintenance, and recordkeeping, and reporting requirements of 40 CFR Part 60 Subpart KKK and Rule 4409. [40 CFR Part 60 Subpart KKK and District Rule 4409]

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 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

DAVID WARNER, Director of Permit Services
9. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

10. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

11. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

12. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]

13. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

14. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]

15. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409, 6.2.4]

16. This ATC shall cancel and replace ATC S-7671-1-0. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-2-1

LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GESSNER, SUITE 900
HOUSTON, TX 77024

LOCATION: GAS PROCESSING PLANT;
KETTLEMAN, CA

SECTION: NE30 TOWNSHIP: 23S RANGE: 19E

EQUIPMENT DESCRIPTION:
MODIFICATION OF ETHYLENE GLYCOL DEHYDRATION UNIT WITH 1 MMBTU/HR MAXON CORPORATION MODEL
KDZERLEO15NF8 LOW NOX BURNER AND JATCO INC BTEX ELIMINATOR WITH FLASH VESSEL AND GLYCOL
REBOILER STILL VAPORS VENTED TO PROCESS SYSTEM OR REBOILER FUEL LINE (OR EQUIVALENT); REVISE
BURNER RATING TO 0.08 MMBTU/HR

CONDITIONS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize
   emissions of air contaminants into the atmosphere. [District NSR Rule]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule
   41021]
3. Glycol reboiler shall not operate with visible emissions darker than 5% opacity or 1/4 Ringelmann for a period
   or periods aggregating more than three minutes in any one hour. [District Rules 22011]
4. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 42011]
5. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 22011]
6. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using
   California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum
   Facilities < 10,000 ppmv screening value ranges emissions factors. [District Rule 22011]
7. VOC fugitive emissions from glycol dehydration unit shall not exceed 1.1 lb/day. [District Rule 22011]
8. Glycol reboiler shall be fired on reboiler vent gas and/or fuel gas containing no more than 1.0 gr S/100scf. [District
   Rule 2020]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 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

DAVID WARNER, Director of Permit Services
C-7671-2-1: Issued 8/2010 2:30PM - DAVID WARNER : Joint inspection NOT Required
Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726 • (559) 230-5900 • Fax (559) 230-6081

This document is intended for educational and informational purposes only. The content may not be complete, accurate, or up to date. Always consult the original source or relevant laws and regulations for official information.
9. Glycol reboiler vent emissions shall be ducted to air cooler followed by BTEX Eliminator gas liquid separator. [District Rule 2201]

10. Glycol reboiler shall be fired on a combination of natural gas and glycol reboiler still off-gas. [District NSR Rule]

11. Glycol flash tank off gas and reboiler still off-gas shall not be vented to atmosphere, except during an emergency or breakdown. [District Rule NSR Rule]

12. Reboiler burner shall operate continually in a smokeless mode. [District Rule 4408, 5.1.2.1]

13. Reboiler burner shall include an electronically controlled ignition system with a malfunction alarm system if the pilot flame fails. [District Rule 4408, 5.1.2.2]

14. Reboiler shall be equipped with a liquid knockout system to condense any condensable vapors and sight glass ports if the flame is not visible. [District Rule 4408, 5.1.2.3, 5.1.2.4]

15. Only glycol shall be used as the dehydration medium. [District Rule 2201]

16. Condensate handling shall be conducted in closed systems resulting in fugitive component emissions only and no evaporation of VOCs. [District Rule 2201 and 4408]

17. All piping, valves and other fittings shall be constructed and maintained in a gas-tight condition. "Gas-tight" shall be defined as emitting no more than 10,000 ppm of methane measured from the potential source with an instrument calibrated with methane in accordance with EPA Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and shall be reported as a deviation. [District Rules 2201 and 4408]

18. Combustion emissions from glycol reboiler unit shall not exceed any of the following limits: 0.036 lb-NOx/MMBtu, 0.011 lb-PM10/MMBtu, 0.121 lb-CO/MMBtu, and 0.008 lb-VOC/MMBtu. [District Rules 2201 and 4307]

19. Permittee shall measure the sulfur content of the gas combusted by District witnessed, or authorized, sample collection by ARB certified testing laboratory at startup and annually thereafter. Such data shall be submitted to the District within 60 days of sample collection. [District Rules 1081, 7.2 and 2201]

20. The sulfur content of the combusted gas shall be determined using ASTM test methods D-1072, D-3246, D-6228, or double GC for H2S and Mercaptans. H2S concentration (ppmv) of the gas shall be determined using ASTM test methods D-1072 or D-4084, using Draeger tube, or by gas supplier test data consistent with the natural gas fuel sulfur content test method listed in this permit. [District Rule 1081]

21. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

22. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

23. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

24. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]
25. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

26. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]

27. Records of the amount of gas (in SCF) dehydrated each day and each month shall be maintained, retained on the premises for a period of not less than five years and made available to any District representative upon request. [District Rules 1070, 2201, and 4408]

28. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409, 6.2.4]

29. This ATC shall cancel and replace ATC S-7671-2-0. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-3-1
LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GESNER, SUITE 900
HOUSTON, TX 77024
LOCATION: GAS PROCESSING PLANT
KETTLEMAN, CA
SECTION: NE30 TOWNSHIP: 23S RANGE: 19E

EQUIPMENT DESCRIPTION:
MODIFICATION OF METHANOL INJECTION SYSTEM CONSISTING OF 50 BBL METHANOL STORAGE TANK VENTED TO SHARED VAPOR CONTROL SYSTEM LISTED ON C-1658-3-1 AND TWO ELECTRIC PUMPS. REPLACE METHANOL STORAGE TANK WITH A 200 GALLON METHANOL STORAGE TANK AND LIST PERMIT UNITS C-7671-11, '-12, '-13, 'AND -14 AS CONNECTED TO THE SHARED VAPOR CONTROL SYSTEM

CONDITIONS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule]

2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

3. 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 41011]

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

5. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 2201]

6. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities < 10,000 ppmv screening value ranges emissions factors. [District Rule 2201]

7. VOC fugitive emissions shall not exceed 1.0 lb/day. [District Rule 2201]

8. Gas-leak concentration shall be determined by EPA Method 21. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 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
9. Tank shall be equipped with a vapor recovery system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor recovery system shall be APCO-approved and maintained in gas-tight condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device the reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4.7. [District Rules 2201 and 4623]

10. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rules 2201 and 4623]

11. The operator shall keep accurate records of types, storage temperature, and Reid vapor pressure of liquids stored. The operator shall maintain monthly records of average daily throughput. Records shall be made available to District personnel upon request. [District NSR Rule]

12. Permittee shall comply with applicable monitoring, inspection, maintenance, and recordkeeping, and reporting requirements of 40 CFR Part 60 Subpart KKK and Rule 4409. [40 CFR Part 60 Subpart KKK and District Rule 4409]

13. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

14. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

15. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOCs at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

16. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]

17. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

18. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]

19. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rules 2201 and 4409, 6.2.4]

20. This ATC shall shall cancel and replace ATC S-7671-3-0. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-11-1

LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GESSNER, SUITE 900
HOUSTON, TX 77024
LOCATION: GAS PROCESSING PLANT
KETTLEMAN, CA
SECTION: NE30 TOWNSHIP: 23S RANGE: 19E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 18,000 GALLON NATURAL GAS LIQUIDS STORAGE VESSEL VENTED TO FLARE C-7671-10 (OR EQUIVALENT): LIST AS CONNECTED TO THE VAPOR CONTROL SYSTEM LISTED ON PERMIT C-7671-3

CONDITIONS

1. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this Authority to Construct. Approval of the equivalent equipment shall be made only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the specifically authorized equipment. [District Rule 2201]

2. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emission rates, equipment drawing(s), and operational characteristics/parameters. [District Rule 2010]

3. Alternate equipment shall be of the same class and category of source as the equipment authorized by the Authority to Construct. [District Rule 2201]

4. No emission factor and no emission shall be greater for the alternate equipment than for the proposed equipment. No changes in the hours of operation, operating rate, throughput, or firing rate may be authorized for any alternate equipment. [District Rule 2201]

5. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule]

6. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 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 the 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

DAVID WARNER, Director of Permit Services

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7. 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]

8. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 2201]

9. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities <10,000 ppmv screening value ranges emissions factors. [District Rule 2201]

10. VOC fugitive emissions shall not exceed 0.5 lb/day. [District Rule 2201]

11. Gas-leak concentration shall be determined by EPA Method 21. [District Rule 2201]

12. Tank shall be equipped with a vapor recovery system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor recovery system shall be APCO-approved and maintained in gas-tight condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4.7. [District Rules 2201 and 4623]

13. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rules 2201 and 4623]

14. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rules 2201 and 4623]

15. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]

16. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623]

17. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shell and roof of the uninsulated tank for structural integrity annually. [District Rules 2210 and 4623]

18. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rules 2201 and 4623]

19. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection [District Rules 2201 and 4623]

20. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2201 and 4623]
21. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of this rule. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of this rule. [District Rules 2201 and 4623]

22. If a component type for the tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2201 and 4623]

23. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rule 2201]

24. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623]

25. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rules 2020 and 2080]

26. Permittee shall maintain records of annual tank inspections, maintenance, and cleaning to document the participation in the Rule 4623 Fixed Roof Tank Preventative Inspection, Maintenance and Tank Interior Cleaning Program. [District Rules 2020 and 2080]

27. Permittee shall comply with all applicable Tank Interior Cleaning Program requirements specified in Table 3 of Rule 4623. [District Rules 2020 and 2080]

28. The operator shall keep accurate records of types, storage temperature, and Reid vapor pressure of liquids stored. The operator shall maintain monthly records of average daily throughput. Records shall be made available to District personnel upon request. [District NSR Rule]

29. Permittee shall comply with applicable monitoring, inspection, maintenance, and recordkeeping, and reporting requirements of 40 CFR Part 60 Subpart KKK and Rule 4409. [40 CFR Part 60 Subpart KKK and District Rule 4409]

30. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

31. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

32. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

33. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]
34. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

35. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]

36. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409, 6.2.4]

37. ATC C-7671-11-0 shall be implemented prior to or concurrent with this ATC. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-12-1

ISSUANCE DATE: 11/08/2010

LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GESSNER, SUITE 900
HOUSTON, TX 77024

LOCATION: GAS PROCESSING PLANT
KETTLEMAN, CA

SECTION: NE30 TOWNSHIP: 23S RANGE: 19E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 18,000 GALLON NATURAL GAS LIQUIDS STORAGE VESSEL VENTED TO FLARE C-7671-10 (OR EQUIVALENT): LIST AS CONNECTED TO THE VAPOR CONTROL SYSTEM LISTED ON PERMIT C-7671-3

CONDITIONS

1. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this Authority to Construct. Approval of the equivalent equipment shall be made only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the specifically authorized equipment. [District Rule 2201]

2. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emission rates, equipment drawing(s), and operational characteristics/parameters. [District Rule 2010]

3. Alternate equipment shall be of the same class and category of source as the equipment authorized by the Authority to Construct. [District Rule 2201]

4. No emission factor and no emission shall be greater for the alternate equipment than for the proposed equipment. No changes in the hours of operation, operating rate, throughput, or firing rate may be authorized for any alternate equipment. [District Rule 2201]

5. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule]

6. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
7. 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 41011]

8. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 22011]

9. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities < 10,000 ppmv screening value ranges emissions factors. [District Rule 22011]

10. VOC fugitive emissions shall not exceed 0.5 lb/day. [District Rule 22011]

11. Gas-leak concentration shall be determined by EPA Method 21. [District Rule 22011]

12. Tank shall be equipped with a vapor recovery system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor recovery system shall be APCO-approved and maintained in gas-tight condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4.7. [District Rules 2201and 46231]

13. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppmv in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rules 2201 and 46231]

14. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rules 2201 and 46231]

15. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 46231]

16. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 46231]

17. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shell and roof of the uninsulated tank for structural integrity annually. [District Rules 2210 and 46231]

18. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rules 2201 and 46231]

19. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rules 2201 and 46231]

20. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2201 and 46231]
21. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of this rule. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of this rule. [District Rules 2201 and 4623]

22. If a component type for the tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2201 and 4623]

23. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rule 2201]

24. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623]

25. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rules 2020 and 2080]

26. Permittee shall maintain records of annual tank inspections, maintenance, and cleaning to document the participation in the Rule 4623 Fixed Roof Tank Preventative Inspection, Maintenance and Tank Interior Cleaning Program. [District Rules 2020 and 2080]

27. Permittee shall comply with all applicable Tank Interior Cleaning Program requirements specified in Table 3 of Rule 4623. [District Rules 2020 and 2080]

28. The operator shall keep accurate records of types, storage temperature, and Reid vapor pressure of liquids stored. The operator shall maintain monthly records of average daily throughput. Records shall be made available to District personnel upon request. [District NSR Rule]

29. Permittee shall comply with applicable monitoring, inspection, maintenance, and recordkeeping and reporting requirements of 40 CFR Part 60 Subpart KKK and Rule 4409. [40 CFR Part 60 Subpart KKK and District Rule 4409]

30. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

31. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

32. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

33. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]
34. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

35. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]

36. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409, 6.2.4]

37. ATC C-7671-12-0 shall be implemented prior to or concurrent with this ATC. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-13-1
ISSUANCE DATE: 11/08/2010

LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GEESNER, SUITE 900
HOUSTON, TX 77024

LOCATION: GAS PROCESSING PLANT
KETTLEMAN, CA

SECTION: NE30 TOWNSHIP: 23S RANGE: 19E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 18,000 GALLON NATURAL GAS LIQUIDS STORAGE VESSEL VENTED TO FLARE C-7671-10 (OR EQUIVALENT): LIST AS CONNECTED TO THE VAPOR CONTROL SYSTEM LISTED ON PERMIT C-7671-3

CONDITIONS

1. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this Authority to Construct. Approval of the equivalent equipment shall be made only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the specifically authorized equipment. [District Rule 2201]

2. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emission rates, equipment drawing(s), and operational characteristics/parameters. [District Rule 2010]

3. Alternate equipment shall be of the same class and category of source as the equipment authorized by the Authority to Construct. [District Rule 2201]

4. No emission factor and no emission shall be greater for the alternate equipment than for the proposed equipment. No changes in the hours of operation, operating rate, throughput, or firing rate may be authorized for any alternate equipment. [District Rule 2201]

5. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule]

6. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 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

DAVID WARNER, Director of Permit Services
Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726 • (559) 230-5900 • Fax (559) 230-6061
7. 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]

8. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 2201]

9. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities < 10,000 ppmv screening value ranges emissions factors. [District Rule 2201]

10. VOC fugitive emissions shall not exceed 0.5 lb/day. [District Rule 2201]

11. Gas-leak concentration shall be determined by EPA Method 21. [District Rule 2201]

12. Tank shall be equipped with a vapor recovery system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor recovery system shall be APCO-approved and maintained in gas-tight condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device the reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4.7. [District Rules 2201 and 4623]

13. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rules 2201 and 4623]

14. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rules 2201 and 4623]

15. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]

16. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623]

17. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shell and roof of the uninsulated tank for structural integrity annually. [District Rules 2201 and 4623]

18. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rules 2201 and 4623]

19. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection [District Rules 2201 and 4623]

20. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2201 and 4623]
21. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of this rule. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of this rule. [District Rules 2201 and 4623]

22. If a component type for the tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2201 and 4623]

23. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rule 2201]

24. Operator shall maintain an inspection log containing the following: 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623]

25. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rules 2020 and 2080]

26. Permittee shall maintain records of annual tank inspections, maintenance, and cleaning to document the participation in the Rule 4623 Fixed Roof Tank Preventative Inspection, Maintenance and Tank Interior Cleaning Program. [District Rules 2020 and 2080]

27. Permittee shall comply with all applicable Tank Interior Cleaning Program requirements specified in Table 3 of Rule 4623. [District Rules 2020 and 2080]

28. The operator shall keep accurate records of types, storage temperature, and Reid vapor pressure of liquids stored. The operator shall maintain monthly records of average daily throughput. Records shall be made available to District personnel upon request. [District NSR Rule]

29. Permittee shall comply with applicable monitoring, inspection, maintenance, and recordkeeping, and reporting requirements of 40 CFR Part 60 Subpart KKK and Rule 4409. [40 CFR Part 60 Subpart KKK and District Rule 4409]

30. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

31. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

32. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

33. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]
34. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

35. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]

36. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409, 6.2.4]

37. ATC C-7671-13-0 shall be implemented prior to or concurrent with this ATC. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-14-1

LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GESSERT, SUITE 900
HOUSTON, TX 77024

LOCATION: GAS PROCESSING PLANT
KETTLEMAN, CA

SECTION: NE30 TOWNSHIP: 23S RANGE: 19E

EQUIPMENT DESCRIPTION:
MODIFICATION OF ORGANIC LIQUID>Loading FACILITY WITH CLASS I ORGANIC LIQUID LOADING RACK WITH TWO LOADING BAYS, TWO 150 HP ELECTRIC COMPRESSORS, AND VAPOR CONTROL SYSTEM VENTING TO PROCESS SYSTEM, FLARE C-7671-10, OR VAPOR CONTROL SYSTEM TRANSFER UNIT (OR EQUIVALENT): LIST AS CONNECTED TO THE VAPOR CONTROL SYSTEM LISTED ON PERMIT C-7671-3

CONDITIONS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule]

2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 41021]

3. 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]

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

5. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 2201]

6. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities < 10,000 ppmv screening value ranges emissions factors. [District Rule 2201]

7. VOC fugitive emissions shall not exceed 3.0 lb/day. [District Rule 2201]

8. The loading racks shall be equipped with a vapor loss prevention system consisting of vapor and condensate collection systems capable of reducing VOC emissions by at least 95%. [District Rule 4624]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

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9. The loading and vapor collection equipment shall be operated and maintained such that there are no leaks or no excess organic liquid drainage at disconnections, in accord with Rule 4624 Transfer of Organic Liquid [Rule 4624]

10. The vapor collection and control system shall operate such that the pressure in the delivery tank being loaded does not exceed 18 inches water column pressure and (6) inches water column vacuum [District Rule 4624]

11. VOC emissions shall not exceed 0.08 pounds per 1,000 gallons of organic liquid loaded. [Rule 4624]

12. The vapor recovery system shall be connected and operating any time loading is proceeding. [Rule 4624]

13. Valves, flanges, connectors, and pump and compressor seals shall be maintained leak-free as defined in Rule 4624. [District Rules 4624]

14. By July 20, 2009 initial source testing of the VOC emissions control system shall be performed with the method prescribed in Section 6.3.2 of Rule 4634. Source testing shall be done once every 60 months after initial source testing but no more than 30 days before or after initial source test anniversary date. [District Rule 4624]

15. Records of daily throughput, for each product loaded, and results of any required leak inspections shall be kept on site for a minimum of five years and made available to District inspectors upon request. [Rule 4624]

16. Permittee shall comply with applicable monitoring, inspection, maintenance, and recordkeeping, and reporting requirements of 40 CFR Part 60 Subpart KKK and Rule 4409. [40 CFR Part 60 Subpart KKK and District Rule 4409]

17. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

18. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

19. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

20. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]

21. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

22. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]

23. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409, 6.2.4]

24. This ATC shall be implemented concurrently with ATC S-7671-14-0. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-16-0
ISSUANCE DATE: 11/08/2010

LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GEISSNER, SUITE 900
HOUSTON, TX 77024

LOCATION: GAS PROCESSING PLANT
KETTLEMAN, CA

EQUIPMENT DESCRIPTION:
49.9 MMBTU/HR KANE MODEL KHE 7000 COANDA EFFECT FLARE

CONDITIONS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
4. A flame shall be present at all times when combustible gases are vented through this flare. [District Rule 2201]
5. Sulfur compound concentration of gas combusted shall not exceed 1.0 gr S/100 scf (16.9 ppmv H2S). [District Rule 2201]
6. Flare shall not operate with visible emissions darker than 5% opacity or 1/4 Ringelmann for a period or periods aggregating more than three minutes in any one hour. [District Rules 2201]
7. Flare shall be equipped with total gas volume flow meter. [District Rule 2201]
8. Maximum amount of gas combusted shall not exceed 3672 MMBtu/day. [District Rule 2201]
9. Maximum amount of gas combusted shall not exceed 107,640 MMBtu/yr. [District Rule 2201]
10. Emissions from the flare shall not exceed any of the following limits (based on total gas combusted): NOx (as NO2): 0.036 lb/MMBtu; PM10: 0.008 lb/MMBtu; CO: 0.370 lb/MMBtu; or VOC: 0.063 lb/MMBtu. [District Rule 2201]
11. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services

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12. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities < 10,000 ppmv screening value ranges emissions factors. [District Rule 2201]

13. VOC fugitive emissions from flare shall not exceed 0.4 lb/day. [District Rule 2201]

14. Permittee shall measure the sulfur content of the gas combusted by District witnessed, or authorized, sample collection by ARB certified testing laboratory at startup and annually thereafter. Such data shall be submitted to the District within 60 days of sample collection. [District Rules 1081, 7.2 and 2201]

15. The sulfur content of the combusted gas shall be determined using ASTM test methods D-1072, D-3246, D-6228, or double GC for H2S and Mercaptans. H2S concentration (ppmv) of the gas shall be determined using ASTM test methods D-1072 or D-4084, using Draeger tube, or by gas supplier test data consistent with the natural gas fuel sulfur content test method listed in this permit. [District Rule 1081]

16. The higher heating value of the flared gas shall be monitored at least quarterly. [District Rules 1070 and 2201]

17. Measured heating value and quantity of gas flared shall be used to determine compliance with heat input limits. [District Rule 2201]

18. Permittee shall keep accurate records of daily and annual heat input to the flare in MMBtu/day and MMBtu/yr. [District Rule 2201]

19. Permittee shall comply with applicable monitoring, inspection, maintenance, and recordkeeping, and reporting requirements of 40 CFR Part 60 Subpart KKK and Rule 4409. [40 CFR Part 60 Subpart KKK and District Rule 4409]

20. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

21. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

22. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

23. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]

24. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

25. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]
26. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409, 6.2.4]

27. ATC C-76-71-10 will be canceled upon implementation of this ATC. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: C-7671-17-0

LEGAL OWNER OR OPERATOR: EXARO ENERGY LLC
MAILING ADDRESS: 800 GESSNER, SUITE 900
               HOUSTON, TX 77024

LOCATION: GAS PROCESSING PLANT
             KETTLEMAN, CA

EQUIPMENT DESCRIPTION:
145 BHP CATERPILLAR, MODEL 3306, NATURAL GAS FIRED INTERNAL COMBUSTION ENGINE EQUIPPED WITH A
3-WAY CATALYST POWERING A COMPRESSOR

CONDITIONS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize
   emissions of air contaminants into the atmosphere. [District NSR Rule]

2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 41021]

3. 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]

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

5. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components. [District Rule 2201]

6. Permittee shall maintain with the permit accurate fugitive component counts and resulting emissions calculated using
   California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum
   Facilities < 10,000 ppmv screening value ranges emissions factors. [District Rule 2201]

7. VOC fugitive emissions shall not exceed 0.3 lb/day. [District Rule 2201]

8. The engine shall be fired solely on natural gas with a sulfur content not exceeding 1.0 gr /100 scf. [District Rules
   2201 and 4801]

9. Emissions from this IC engine shall not exceed any of the following limits: 9 ppmvd NOx @ 15% O2, 0.052 g-
   PM10/hp-hr, 600 ppmvd CO @ 15% O2, or 25 ppmvd VOC @ 15% O2. [District Rules 2201 and District Rule 4702]

CONDITIONS CONTINUE ON NEXT PAGE

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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

DAVID WARNER, Director of Permit Services
C-7671-17-0 Nov 8, 2010 2:57 PM - O:\APDOCS : ACTS inspection NOT Required
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10. This engine shall be equipped with a nonresettable fuel meter. The fuel meter shall be calibrated periodically per the recommendations of the manufacturer. [District Rule 4702, 5.6.6.]

11. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Monitoring (I&M) plan submitted to the District. [District Rule 4702]

12. NOx, CO, and VOC emissions shall be measured (source tested) at startup and every 24 months thereafter. [District Rule 2201 and 4702]

13. 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]

14. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]

15. The following test methods shall be used for testing other than start-up testing: NOx (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, VOC (ppmv) - EPA Method 25A or 25B, or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, and ammonia - BAAQMD ST-1B. EPA approved alternative test methods as approved by the District may also be used to address the source testing requirements of this permit. [District Rules 1081 and 4702]

16. Permittee shall measure the sulfur content of the gas combusted by District witnessed, or authorized, sample collection by ARB certified testing laboratory at startup and annually thereafter. Such data shall be submitted to the District within 60 days of sample collection. [District Rules 1081, 7.2 and 2201]

17. The sulfur content of the combusted gas shall be determined using ASTM test methods D-1072, D-3246, D-6228, or double GC for H2S and Mercaptans. H2S concentration (ppmv) of the gas shall be determined using ASTM test methods D-1072 or D-4084, using Draeger tube, or by gas supplier test data consistent with the natural gas fuel sulfur content test method listed in this permit. [District Rule 1081]

18. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. [In-stack O2 monitors may be allowed if approved by the APCO.] Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rule 4702]

19. If either the NOx or CO concentrations corrected to 15% O2, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 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 performing the notification and testing required by this condition. [District Rule 4702]

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 Rule 4702]

21. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 15% 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 within the acceptable range. [District Rule 4702]
22. The permittee shall maintain an engine operating log to demonstrate compliance for this engine. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity of fuel used, maintenance or modifications performed, monitoring data (quarterly monitoring data unless conducting monthly monitoring), compliance source test results (conducted every 24 months), and any other information necessary to demonstrate compliance with District Rule 4702. Quantity of fuel used shall be recorded in standard cubic feet. [District Rule 4702]

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 Rule 4702]

24. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO for approval no later than 14 days after the change. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]

25. Permittee shall comply with applicable monitoring, inspection, maintenance, and recordkeeping, and reporting requirements of 40 CFR Part 60 Subpart KKK and Rule 4409. [40 CFR Part 60 Subpart KKK and District Rule 4409]

26. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

27. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4409]

28. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4409 for all components containing or contacting VOC’s at this facility except for those components specifically exempted in Sections 4.1 and 4.2 of Rule 4409. [District Rule 4409]

29. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number. [District Rule 4409, 6.2.1]

30. Records of leaks detected during quarterly or annual operator inspections, and each subsequent repair and re-inspection, shall be submitted to the District, ARB, and EPA upon request. [District Rule 4409, 6.2.2]

31. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4409, 6.2.3]

32. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409, 6.2.4]