JUN 01 2011

Adean Valenzuela  
Aera Energy LLC  
P O Box 11164  
Bakersfield, CA 93389-1164

Re: Notice of Final Action - Significant Title V Permit Modification  
District Facility # S-1547  
Project # S-1105222

Dear Ms. Valenzuela:

The Air Pollution Control Officer has modified the Title V permit for Aera Energy LLC in the Heavy Oil Western stationary source in Kern County incorporating S-1547-1011-14. The project revises the recordkeeping requirements of permit unit S-1547-1011 for a heater treater by requiring records of start-up and shutdown occurrences that exceed one hour per occurrence.

Enclosed is the modified Title V permit. The application and proposal were sent to US EPA Region IX on February 1, 2011. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

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

Sincerely,

David Warner  
Director of Permit Services

DW:HR/dg

Enclosures
JUN 01 2011

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St.
San Francisco, CA 94105

Re: Notice of Final Action - Significant Title V Permit Modification
District Facility # S-1547
Project # S-1105222

Dear Mr. Rios:

The Air Pollution Control Officer has modified the Title V permit for Aera Energy LLC in the Heavy Oil Western stationary source in Kern County incorporating S-1547-1011-14. The project revises the recordkeeping requirements of permit unit S-1547-1011 for a heater treater by requiring records of start-up and shutdown occurrences that exceed one hour per occurrence.

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

Sincerely,

David Warner
Director of Permit Services

DW: HR/dg

Enclosures
Mike Tollstrup, Chief  
Project Assessment Branch  
Air Resources Board  
P O Box 2815  
Sacramento, CA 95812-2815

Re: Notice of Final Action - Significant Title V Permit Modification  
District Facility # S-1547  
Project # S-1105222

Dear Mr. Tollstrup:

The Air Pollution Control Officer has modified the Title V permit for Aera Energy LLC in the Heavy Oil Western stationary source in Kern County incorporating S-1547-1011-14. The project revises the recordkeeping requirements of permit unit S-1547-1011 for a heater treater by requiring records of start-up and shutdown occurrences that exceed one hour per occurrence.

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Sincerely,

David Warner  
Director of Permit Services

DW:HR/dg

Enclosures
NOTICE OF FINAL DECISION
FOR THE PROPOSED MODIFICATION OF
FEDERALLY MANDATED OPERATING PERMIT

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District has made its final decision to modify the Federally Mandated Operating Permit to Aera Energy LLC for its heavy oil facility in the Heavy Oil Western stationary source in Kern County, California.

The District's analysis of the legal and factual basis for this proposed action, project #S-1105222, is available for public inspection at http://www.valleyair.org/notice/public_notices_idx.htm and the District office at the address below. For additional information regarding this matter, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500, or contact David Warner, Director of Permit Services, in writing at SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 E. GETTYSBURG AVE, FRESNO, CA 93726-0244.
San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: S-1547-1011-15
EXPIRATION DATE: 05/31/2007
SECTION: NE35  TOWNSHIP: 12N  RANGE: 24W
EQUIPMENT DESCRIPTION:
NATURAL GAS-FIRED HEATER TREATER (#D201G) WITH ONE 5 MMBTU/HR MAXON MODEL M-PAKT BURNER
WITH AND A FLUID TREATMENT CHAMBER SERVED BY VAPOR CONTROL SYSTEM LISTED ON PERMIT S-1547-
843 (SOUTH MIDWAY)

PERMIT UNIT REQUIREMENTS

1. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 420]

2. 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]
   Federally Enforceable Through Title V Permit

3. Heater treater shall be fired exclusively on natural gas or LPG and shall have no provisions for firing on fuel oil.
   [District Rule 2201] Federally Enforceable Through Title V Permit

4. Fluid treatment chamber of heater treater shall be connected to vapor control system listed on PTO S-1547-843.
   [District Rule 2201] Federally Enforceable Through Title V Permit

5. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas
delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all
dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule
2520, 9.3.2] Federally Enforceable Through Title V Permit

6. The operator shall maintain all records of required monitoring data and support information for inspection at any time
   for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit

7. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis,
each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur
content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-
annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District
Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

8. When complying with SOx emission limits by testing of stack emissions, testing shall be performed not less than once
every 12 months using EPA Method 6; or EPA Method 6B; or EPA Method 8; or ARB Methods 8 or 100; or, for units
using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H2S and mercaptans
performed in the laboratory and EPA Method 19 to calculate emissions. Gaseous fuel fired units demonstrating
compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however,
annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.4.2] Federally
Enforceable Through Title V Permit

9. If the unit is fired on noncertified gaseous fuel and compliance with SOx emission limits is achieved through fuel
sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using
ASTM D 1072, D 4468, D 4084, D3246 or grab sample analysis by double GC for H2S and mercaptans performed in
the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC
Location: HEAVY OIL WESTERN STATIONARY SOURCE, KERN COUNTY, CA
S-1547-1011-15: May 31, 2011 7:41 AM - HARRIED
10. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

11. Emission rates, except during startup and shutdown shall not exceed any of the following: PM10: 0.008 lb/MMBtu, SOX (as SO2): 0.002 lb/MMBtu, NOx (as NO2): 0.036 lb/MMBtu or 30 ppmv @ 3% O2, or CO: 0.037 lb/MMBtu or 50 ppmv @ 3% O2. [District Rules 2201, 2520, 4201, 4301, 4307, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

12. Emission rates during startup and shutdown shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

13. Emission rates shall not exceed any of the following: PM10: 1.0 lb/day, SOX (as SO2): 0.2 lb/day, NOx (as NO2): 24.0 lb/day or 3154 lb/year, or CO: 20.2 lb/day or 3241 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit

14. Duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307] Federally Enforceable Through Title V Permit

15. Duration of refractory curing shall not exceed 30 hours each per occurrence. Permittee shall notify the District in writing prior to refractory curing. [District Rule 2080] Federally Enforceable Through Title V Permit

16. Permittee shall maintain records of duration of each start-up and shutdown that exceed one hour per occurrence, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4307] Federally Enforceable Through Title V Permit

17. The permittee shall monitor, at least once per month, the unit's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307] Federally Enforceable Through Title V Permit

18. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit, the operator shall monitor the emissions, at least monthly, with a portable NOx analyzer and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307] Federally Enforceable Through Title V Permit

19. If the unit is tuned for compliance, the permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307] Federally Enforceable Through Title V Permit

20. If NOx emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NOx measurements, (2) the O2 concentration in percent and the measured NOx concentration corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rule 4307] Federally Enforceable Through Title V Permit

21. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.
22. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rule 4307] Federally Enforceable Through Title V Permit

23. 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. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit

24. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 8 or 100 or EPA Method 6, 6B or 8 or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - ASTM D1072, D4468, D3246, D3246, D4084 or double GC for H2S and mercaptans performed in laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081 and 4307] Federally Enforceable Through Title V Permit

25. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rule 4307] Federally Enforceable Through Title V Permit

26. Vessel covers, inspection hatches, etc. shall be maintained in gas-tight (as defined in Rule 4623 (9/19/91)) condition except during vessel cleaning, repair and maintenance. Gas leak shall be defined as emitting more than 10,000 ppm of methane measured at a distance of one centimeter from the potential source with an instrument calibrated with methane in accordance with EPA Method 21. [District NSR Rule] Federally Enforceable Through Title V Permit

27. All piping, fittings, and valves shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

28. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

29. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

30. Emissions from components which have been tagged by the facility operator for repair within 15 calendar days or which have been repaired and are awaiting re-inspection shall not be in violation of this permit. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

31. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 95 percent efficient as measured by EPA Method 25 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 95% control efficiency as measured by EPA Method 25 at least annually. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

32. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.
33. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

34. The operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

35. Note: Formerly S-1511-646.