JUL 05 2011

Gerardo C. Rios (AIR 3)
Chief, Permits Office
Air Division
U.S. E.P.A. - Region IX
75 Hawthorne Street
San Francisco, CA 94105

RE: Notice of Final Action - Authority to Construct
Project Number: S-1084406 and 1084434

Dear Mr. Rios:

The Air Pollution Control Officer has issued Authority to Construct permits to Aera Energy LLC for the installation of up to eleven (11) new 85 MMBtu/hr steam generators, at Aera's Kern County Heavy Oil Western stationary source.

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 May 30, 2011. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on May 26, 2011. No comments were received following the District's preliminary decision on this project.

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:DG/dg

Enclosures
JUL 05 2011

Mike Tollstrup, Chief
Project Assessment Branch
Stationary Source Division
California Air Resources Board
PO Box 2815
Sacramento, CA  95812-2815

RE:  Notice of Final Action - Authority to Construct
Project Number: S-1084406 and 1084434

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued Authority to Construct permits to Aera Energy LLC for the installation of up to eleven (11) new 85 MMBtu/hr steam generators, at Aera’s Kern County Heavy Oil Western stationary source.

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.

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Sincerely,

[Signature]

David Warner
Director of Permit Services

DW:DG/dg

Enclosures
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 Aera Energy LLC for the installation of up to eleven (11) new 85 MMBtu/hr steam generators, at Aera's Kern County Heavy Oil Western stationary source.

No comments were received following the District's preliminary decision on this project.

The application review for Project #S-1084406 and 1084434 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, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1182-0

ISSUANCE DATE: 06/30/2011

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH NATIONWIDE BOILER MODEL CATASTAK
SELECTIVE CATALYTIC REDUCTION SYSTEM (5 PPMV NOX) OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S, R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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 canceled 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.

Sayed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
6-1547-1182-0   JCT 30-2011 7:43AM   GO/GO   Joint Inspection required with GO/GO

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CC/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/scf 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '1-1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBtu/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two or three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hiv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. The permittee shall monitor and record the stack concentration of NH3 at least once during each month in which a source test is not performed. NH3 monitoring shall be conducted utilizing District approved gas-detection tubes or a District approved equivalent method. Monitoring shall not be required if the unit is not in operation; i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within one day of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, or the NH3 concentrations corrected to 3% O2, as measured by District approved gas-detection tubes, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. All NOx, CO, O2 and NH3 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 NOx, CO, and O2 analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer’s specifications and recommendations or a protocol approved by the APCO. NH3 emission readings shall be measured in accordance with the gas sample tube manufacturer’s specifications and recommendations. Portable analyzer emission readings taken shall be averaged over a 15 consecutive-minute sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. The permittee shall maintain records of: (1) the date and time of NOx, CO, O2 and NH3 measurements, (2) the O2 concentration in percent by volume and the measured NOx, CO and NH3 concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) method of determining the NH3 concentration, and (6) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Ammonia emissions readings shall be conducted at the time the NOx, CO and O2 readings are taken. The readings shall be converted to ppmvd @ 3% O2. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

29. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

30. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
31. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

32. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

33. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

34. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

35. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

36. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

37. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

38. The permittee shall obtain written District approval for the use of any equivalent SCR equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

39. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

40. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

CONDITIONS CONTINUE ON NEXT PAGE
45. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1.1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

46. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. During construction, USFSW and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

53. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

54. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believe to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1183-0
ISSUANCE DATE: 06/30/2011

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION: 85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH NATIONWIDE BOILER MODEL CATASTAK SELECTIVE CATALYTIC REDUCTION SYSTEM (5 PPMV NOX) OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S, R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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
S-1547-1183-0 JUL 30 2011 TFE 41160: JOD010 - Final Revision Request for G00010

Southern Regional Office • 34945 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

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19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

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22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. The permittee shall monitor and record the stack concentration of NH3 at least once during each month in which a source test is not performed. NH3 monitoring shall be conducted utilizing District approved gas-detection tubes or a District approved equivalent method. Monitoring shall not be required if the unit is not in operation; i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within one day of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, or the NH3 concentrations corrected to 3% O2, as measured by District approved gas-detection tubes, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. All NOx, CO, O2 and NH3 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 NOx, CO, and O2 analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. NH3 emission readings shall be measured in accordance with the gas sample tube manufacturer's specifications and recommendations. Portable analyzer emission readings taken shall be averaged over a 15 consecutive-minute sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. The permittee shall maintain records of: (1) the date and time of NOx, CO, O2 and NH3 measurements, (2) the O2 concentration in percent by volume and the measured NOx, CO and NH3 concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) method of determining the NH3 concentration, and (6) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Ammonia emissions readings shall be conducted at the time the NOx, CO and O2 readings are taken. The readings shall be converted to ppmvd @ 3% O2. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

29. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

30. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201]
31. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

32. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

33. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

34. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

35. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

36. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

37. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

38. The permittee shall obtain written District approval for the use of any equivalent SCR equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

39. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

40. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

CONDITIONS CONTINUE ON NEXT PAGE
45. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:i. [Public Resources Code 21000-21177: California Environmental Quality Act]

46. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

53. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

54. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1184-0
ISSUANCE DATE: 06/30/2011

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
                  BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
          KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH NATIONWIDE BOILER MODEL CATASTAK
SELECTIVE CATALYTIC REDUCTION SYSTEM (5 PPMV NOX) OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures
   of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S,
   R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24
   hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule
   1070]

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per
   MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and
   water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to
   12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof
   overhang, or any other obstruction. [District Rule 4102] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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
S-1547-1184-0 / Jun 30 2011 7:44AM / DOUGDID - Joint Inspection Required not DOUGDID

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/scf 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBtu/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested no less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. The permittee shall monitor and record the stack concentration of NH3 at least once during each month in which a source test is not performed. NH3 monitoring shall be conducted utilizing District approved gas-detection tubes or a District approved equivalent method. Monitoring shall not be required if the unit is not in operation; i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within one day of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, or the NH3 concentrations corrected to 3% O2, as measured by District approved gas-detection tubes, exceed the allowable emissions limits, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. All NOx, CO, O2 and NH3 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 NOx, CO, and O2 analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. NH3 emission readings shall be measured in accordance with the gas sample tube manufacturer's specifications and recommendations. Portable analyzer emission readings taken shall be averaged over a 15 consecutive-minute sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. The permittee shall maintain records of: (1) the date and time of NOx, CO, O2 and NH3 measurements, (2) the O2 concentration in percent by volume and the measured NOx, CO and NH3 concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) method of determining the NH3 concentration, and (6) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Ammonia emissions readings shall be conducted at the time the NOx, CO and O2 readings are taken. The readings shall be converted to ppmv cyl @ 3% O2. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

29. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

30. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
31. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

32. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

33. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

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35. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

36. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

37. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

38. The permittee shall obtain written District approval for the use of any equivalent SCR equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

39. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

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42. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

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CONDITIONS CONTINUE ON NEXT PAGE
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46. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

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AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1185-0   ISSUANCE DATE: 06/30/2011

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
                  BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
          KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX
BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED
COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures
   of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S,
   R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]
3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24
   hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule
   1070] Federally Enforceable Through Title V Permit
4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per
   MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]
5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and
   water pump. [CEQA]
6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to
   12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof
   overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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 Sadrelin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
S-1547-1185-0: Jun 30 2011 7:45AM - GOUHD: Justification Required of GOUHD
Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb-Nox/MBtu; PM10: 0.0076 lb-PM10/MBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MBtu or VOC: 0.003 lb-VOC/MBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 MBtu on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MBtu. [District Rules 4101, 4102, 4301, 4405, 4406 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through S-1290 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. The following test methods shall be used: NOX (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitats as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1186-0

ISSUANCE DATE: 06/30/2011

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11184
                  BAKERSFIELD, CA 93389-1184

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
           KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S, R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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 Sadrelin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
S-1547-1186 D / Jun 30 2011 7:45AM - G0081D - An inspection report with G0081D

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first occurrence. 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 breakthrough 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, the permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permitee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1.1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believe to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1187-0
LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164
LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

ISSUANCE DATE: 06/30/2011

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S, R21E, and SW/4 of Section 2 and NE/4, NW, SW & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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 Sadrein, Executive Director / APCO

DAVID WARNER, Director of Permit Services
S-1547-1187-0  Jun 30 2011 9:45AM - SGN0090  - Work Instructions Attached with SGN0090

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb-Nox/MBTU; PM10: 0.0076 lb-PM10/MBTU; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MBTU or VOC: 0.003 lb-VOC/MBTU. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/scf 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through 1-1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1188-0
LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
                  BAKERSFIELD, CA 93389-1164
LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
           KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX
BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED
COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures
   of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S,
   R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24
   hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule
   1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per
   MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and
   water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to
   12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof
   overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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 Sadedin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
S-1547-1188-0: Jun 20 2011 7:45AM - DOUGRO: Joint inspection required with DOUGRO
Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/sec 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through S-1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOX - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1091] Federally Enforceable Through Title V Permit

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1189-0  ISSUANCE DATE: 06/30/2011

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11364
                  BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
           KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX
BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED
COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures
   of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S,
   R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24
   hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule
   1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per
   MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and
   water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to
   12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof
   overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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
S-1547-1189-D Jun 30 2011 2:45AM - ODouHD - Jen inspection required with ODouHD

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmv @ 3% O2 or 0.0061 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmv @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/scf 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through `-1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hiv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

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29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

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32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

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50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1190-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX
BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED
COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S, R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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 canceled 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
S-1547-1190-0 · Jun 30 2011 7:49 AM - GOAHD · Joint Inspection Requested with GOAHD

Southern Regional Office · 34946 Flyover Court · Bakersfield, CA 93308 · (661) 392-5500 · Fax (661) 392-5556
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb/NOx/MMBtu; PM10: 0.0076 lb/PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 4405 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '1-1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e., the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District’s determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee’s request for approval of equivalent equipment shall include the make, model, manufacturer’s maximum rating, manufacturer’s guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR’s Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1191-0  ISSUANCE DATE: 06/30/2011

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
                  BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
          KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX
BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED
COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S, R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4132]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5600 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
S-1547-1191-0 - Jun 20  2011  7:42am - GOOCHAR - Jpeg inspected matching with GOOCHAR

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmv @ 3% O2 or 0.0061 lb-NOx/MBMbtu; PM10: 0.0076 lb-PM10/MBMbtu; CO: 25 ppmv @ 3% O2 or 0.0185 lb-CO/MBMbtu or VOC: 0.003 lb-VOC/MBMbtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

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

11. Any of units S-1547-1182 through '1-1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. The following test methods shall be used: NOX (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBbtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBbtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBbtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public notice and comments, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1192-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS:
PO BOX 113164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

ISSUANCE DATE: 06/30/2011

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34, T28S, R21E, and SW/4 of Section 2 and NE/4, NW/4, SW/4 & SE/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-6500 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
S-1547-1192-0: Jun 30 2011 7:45AM - OUCOHD - JH: Inspection Requ. with OUCOHD

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 5 ppmvd @ 3% O2 or 0.0061 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through 1-1200 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 745,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOₓ, CO, and O₂ at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOₓ or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the allowable emissions limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOₓ, CO, and O₂ 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 NOₓ, CO, and O₂ 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOₓ, CO and O₂ measurements, (2) the O₂ concentration in percent by volume and the measured NOₓ and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

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34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,136 lb/quarter; SOx: 391 lb/quarter; PM10: 1,416 lb/quarter and VOC: 559 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2958-2, S-2395-1, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2201] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2201] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR’s Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]

CONDITIONS CONTINUE ON NEXT PAGE
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believe to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1193-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS:
PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION:
HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

ISSUANCE DATE: 06/30/2011

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34 of T28S, R21E; and SW/4 of Section 2 and NE/4, NW/4, SE/4 and SW/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadedin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 7 ppmvd @ 3% O2 or 0.008 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/scf 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through -1280 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 730,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - ARB Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in  
   which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not  
   be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring  
   shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month.  
   [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable  
   emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no  
   longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable  
   emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305,  
   4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through  
   Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2  
   concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally  
   Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For  
   the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time  
   after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally  
   Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by  
   submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally  
   Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of  
   hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one  
   hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable  
   Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content  
   limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel  
   sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur  
   content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods  
   referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis,  
   permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V  
   Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,460 lb/quarter; SOx: 383 lb/quarter; PM10: 1,387 lb/quarter and VOC: 548 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2395-1, S-2958-2, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2100] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2100] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believe to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1194-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

ISSUANCE DATE: 06/30/2011

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34 of T28S, R21E; and SW/4 of Section 2 and NE/4, NW/4, SE/4 and SW/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5600 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 Sadrelin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
S-1547-1194-0  Jan 30 2011  1:46AM – GOUDHD – Joint Inspection Required with GOUDHD
Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 7 ppmvd @ 3% O2 or 0.008 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/acre calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmvd 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '1280 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 730,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified by no later than 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, the permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
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34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,460 lb/quarter; SOx: 383 lb/quarter; PM10: 1,387 lb/quarter and VOC: 548 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2395-1, S-2958-2, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

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40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1195-0
LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164
LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34 of T28S, R21E; and SW/4 of Section 2 and NE/4, NW/4, SE/4 and SW/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3]

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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
0-1547-1195-0: Jun 30 2011 7:59M - GOOG4HD: Joint Inspection Request with GOOG4HD

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 7 ppmv @ 3% O2 or 0.008 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmv @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '-1280 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 730,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permitee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,460 lb/quarter; SOx: 383 lb/quarter; PM10: 1,387 lb/quarter and VOC: 548 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2395-1, S-2958-2, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1196-0

LEGAL OWNER OR OPERATOR:
AERA ENERGY LLC
PO BOX 11164
BAKERSFIELD, CA 93389-1164

MAILING ADDRESS:

LOCATION:
HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34 of T28S, R21E; and SW/4 of Section 2 and NE/4, NW/4, SE/4 and SW/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3]

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

Southern Regional Office • 34946 Fiyower Court • Bakersfield, CA 93306 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 7 ppmv @ 3% O2 or 0.008 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmv @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '1280 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 730,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e., the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall document compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,460 lb/quarter; SOx: 383 lb/quarter; PM10: 1,387 lb/quarter and VOC: 548 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2395-1, S-2958-2, S-1397-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1.1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]

CONDITIONS CONTINUE ON NEXT PAGE
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believe to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1197-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34 of T28S, R21E; and SW/4 of Section 2 and NE/4, NW/4, SE/4 and SW/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust: stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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 Sacreedin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
S-1547-11970: Jun 30 2011 7:50AM - 0039580 : Void Inspection Rejected with DOUGL1D

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 7 ppmvd @ 3% O2 or 0.008 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/scecf 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '1280 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 730,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 24 hours 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,460 lb/quarter; SOx: 383 lb/quarter; PM10: 1,387 lb/quarter and VOC: 548 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2395-1, S-2958-2, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1198-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX
BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED
COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

ISSUANCE DATE: 06/30/2011

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures
   of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34 of T28S,
   R21E; and SW/4 of Section 2 and NE/4, NW/4, SE/4 and SW/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24
   hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule
   1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per
   MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and
   water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to
   12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof
   overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

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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
S-1547-1198-0 · 11/29/11 · 10:04 AM · DOCUVIEW · 2014-08-09 · Final Inspection Report with DOCUVIEW

Southern Regional Office · 34946 Flyover Court · Bakersfield, CA 93308 · (661) 392-5500 · Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 7 ppmv @ 3% O2 or 0.008 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmv @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 4:01, 4102, 4301, 4405, 4406 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through ‘-1280 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 730,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOX - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,460 lb/quarter; SOx: 383 lb/quarter; PM10: 1,387 lb/quarter and VOC: 548 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2395-1, S-2958-2, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

36. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternative equipment is equivalent to the authorized equipment. [District Rule 2010] Federally Enforceable Through Title V Permit

37. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit

38. Aera will surrender ERCs sufficient to fully offset operational emissions as required by District NSR requirements. [Public Resources Code 21000-21177: California Environmental Quality Act]

39. Prior to the start of construction activities, Aera shall provide the District with documentation demonstrating that maps identifying all wells in the vicinity of the sites have been submitted to DOGGR for compliance with DOGGR's Well Review Program. [Public Resources Code 21000-21177: California Environmental Quality Act]

40. During construction activities, if unknown, unrecorded or abandoned wells are discovered, or if any wells are damaged, Aera shall immediately notify the DOGGR. [Public Resources Code 21000-21177: California Environmental Quality Act]

41. Any wells discovered or exposed during construction activities will be tested for flammable vapors. [Public Resources Code 21000-21177: California Environmental Quality Act]

42. A qualified biologist will conduct a pre-construction survey for sensitive species within 30 days of the onset of ground disturbance. If sensitive species or their nests/dens are detected, the appropriate standardized avoidance measures will be implemented to preclude take of the species. If standardized avoidance measures cannot be achieved, Aera will consult with the CDFG and USFWS to develop alternative compliance measures. [Public Resources Code 21000-21177: California Environmental Quality Act]

43. Impacts to endangered species habitat as identified in pre-construction surveys will be mitigated at the Coles Levee Ecological Preserve at a ratio of 1:1:1. [Public Resources Code 21000-21177: California Environmental Quality Act]

44. Prior to construction, Aera will conduct a sensitive species education program (tailgate briefing) for all Project personnel. Topics to be discussed during the briefing shall include: occurrence and distribution of sensitive species in the project area, take avoidance measures being implemented during the Project, reporting requirements if incidental take occurs, and applicable definitions and prohibitions under the Endangered Species Act. [Public Resources Code 21000-21177: California Environmental Quality Act]

45. During construction, a biological monitor will be present while ground-disturbing activities are occurring based on the sensitivity of the habitat in which a project occurs. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. During construction, pets are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

47. During construction, firearms are prohibited on the construction site. [Public Resources Code 21000-21177: California Environmental Quality Act]

48. During construction, all food-related trash, such as wrappers, cans, bottles, bags, and food scraps will be disposed of daily in containers with secure covers and regularly removed from project sites. [Public Resources Code 21000-21177: California Environmental Quality Act]

49. During construction, USFWS and CDFG will be notified immediately in the event that the Project avoidance measures fail and there is a take of a threatened or endangered species. [Public Resources Code 21000-21177: California Environmental Quality Act]

50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1199-0  ISSUANCE DATE: 06/30/2011

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
                 BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
          KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX
BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED
COMBUSTION TECHNOLOGY GIDEON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT
VARIOUS SPECIFIED LOCATIONS

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures
   of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34 of T28S,
   R21E; and SW/4 of Section 2 and NE/4, NW/4, SE/4 and SW/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24
   hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule
   1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per
   MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and
   water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to
   12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof
   overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

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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

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 7 ppmvd @ 3% O2 or 0.008 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through '1280 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCs identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 730,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e., the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,460 lb/quarter; SOx: 383 lb/quarter; PM10: 1,387 lb/quarter and VOC: 548 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

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50. In the event that archaeological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified archaeologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified archaeologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

51. In the event that paleontological resources are discovered during ground-disturbing activities associated with construction of the proposed Project, all work within 100 feet of the find shall cease. Aera will notify and retain a qualified paleontologist to assess and provide an evaluation of the significance of the find. Aera shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Kern County and other appropriate agencies and individuals. Work may resume on the Project site once the evaluation of the find is complete by the qualified paleontologist. [Public Resources Code 21000-21177: California Environmental Quality Act]

52. In the event that human remains are discovered during construction of the Project, all work within 100 feet shall be ceased and the discovery will immediately be reported to the County Coroner. If the remains are determined to be Native American in origin, the County Coroner shall notify the Native American Heritage Commission (NAHC) within 24 hours of the determination. The NAHC will solicit those persons it believes to be the nearest descendants of the remains for recommendations. Aera shall, in consultation with the identified descendants of the remains and/or NAHC, will identify the appropriate measures for the treatment or disposition of the remains. [Public Resources Code 21000-21177: California Environmental Quality Act]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-1547-1200-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ADVANCED COMBUSTION TECHNOLOGY GIDON ULTRA LOW NOX BURNER OR EQUIVALENT, APPROVED TO OPERATE AT VARIOUS SPECIFIED LOCATIONS

ISSUANCE DATE: 06/30/2011

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit

2. This unit is approved for operation at the following locations: SE/4 of Section 33 and SE/4 of Section 34 of T28S, R21E; and SW/4 of Section 2 and NE/4, NW/4, SE/4 and SW/4 of Section 3, T29S, R21E. [District Rule 4102]

3. Permittee shall notify the District Compliance Division of each location at which the unit is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070] Federally Enforceable Through Title V Permit

4. This unit shall be equipped with a convection section with at least 235 square feet of heat transfer surface area per MMBtu/hr of maximum rated heat input (verified by manufacturer). [CEQA]

5. This unit shall be equipped with variable frequency drive high efficiency electrical motors driving the blower and water pump. [CEQA]

6. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit

7. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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 Sadedin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
S-1547-1200-0  Jul 30 2011  7:54AM - GOUGO  -  Just Import Request with GOUGO
Southern Regional Office  •  34946 Flyover Court  •  Bakersfield, CA 93308  •  (661) 392-5500  •  Fax (661) 392-5585
8. The unit shall only be fired on natural gas with sulfur content not to exceed 0.75 gr-S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

9. Emissions from the natural gas-fired unit shall not exceed any of the following limits: NOx: 7 ppmvd @ 3% O2 or 0.008 lb-NOx/MMBtu; PM10: 0.0076 lb-PM10/MMBtu; CO: 25 ppmvd @ 3% O2 or 0.0185 lb-CO/MMBtu or VOC: 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

10. Emission rates during startup, shutdown and refractory curing 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 and 4801] Federally Enforceable Through Title V Permit

11. Any of units S-1547-1182 through 1-1280 may be installed provided that permitted annual emissions do not exceed any of the following limits: NOx: 49,990 lb/yr; SOx: 17,210 lb/yr; PM10: 62,282 lb/yr; CO: 151,608 lb/yr or VOC: 24,585 lb/yr, consistent with the quantity of ERCS identified in this project. [District Rules 2201 and 4102] Federally Enforceable Through Title V Permit

12. Annual quantity of natural gas fuel burned in this steam generator shall not exceed 730,000 MMBTU/year. [District Rule 2201] Federally Enforceable Through Title V Permit

13. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

14. Duration of refractory curing shall not exceed 30 hours per each occurrence. Permittee shall keep accurate records of refractory curing duration and make records readily available to the District upon request. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

15. Permittee shall maintain records of duration of each start-up and shutdown, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit

16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

17. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

18. 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] Federally Enforceable Through Title V Permit

19. 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

20. 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 ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

21. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
22. 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

23. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

24. If the NOx or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

25. All NOx, CO, and O2 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 NOx, CO, and O2 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 sample 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 Rules 4102, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

26. The permittee shall maintain records of: (1) the date and time of NOx, CO and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% 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 Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

27. 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. Unless otherwise specified in the PTO, 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 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

28. Shorter time periods for demonstration of compliance after startup or re-ignition may be approved by the APCO by submittal of appropriate technical justification upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

29. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit

30. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit

31. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE
32. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

33. 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 Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

34. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 1,460 lb/quarter; SOx: 383 lb/quarter; PM10: 1,387 lb/quarter and VOC: 548 lb/quarter. Offset shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/2006). [District Rule 2201] Federally Enforceable Through Title V Permit

35. ERC Certificate Numbers S-796-2, S-2395-1, S-2958-2, S-1337-5 and S-1032-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

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