SEP 28 2012

Bill Oliver
San Joaquin Facilities Management
5400 Rosedale Highway
Bakersfield, CA 93308

RE: Notice of Final Action - Authority to Construct
Project Number: S-1122378

Dear Mr. Oliver:

The Air Pollution Control Officer has issued Authority to Construct permits to San Joaquin Facilities Management for an increase in annual gas flow rate to a produced gas flare, at the Brandt lease SW Section 27, T29S, R26E within the light oil production stationary source in the central Kern County fields.

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 July 30, 2012. The District's analysis of the proposal was also sent to CARB on July 24, 2012. 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: RUE/cm

Enclosures
SEP 28 2012

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-1122378

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued Authority to Construct permits to San Joaquin Facilities Management for an increase in annual gas flow rate to a produced gas flare, at the Brandt lease SW Section 27, T29S, R26E within the light oil production stationary source in the central Kern County fields.

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 July 30, 2012. The District's analysis of the proposal was also sent to CARB on July 24, 2012. No comments were received following the District's preliminary decision on this project.

Please note that, after review of applicant data submitted during the public comment period, the Federal Major Modification calculation was revised to include baseline actual emissions (BAE) and projected actual emissions (PAE). These quantities were previously assumed to be zero and the post-project potential to emit (PE2), respectively. The revised calculation indicated that the project was a Federal Major Modification which is the same conclusion reached during preliminary decision.

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

Sincerely,

[Signature]
David Warner
Director of Permit Services

DW: RUE/cm

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 San Joaquin Facilities Management for an increase in annual gas flow rate to a produced gas flare, at the Brandt lease SW Section 27, T29S, R26E within the light oil production stationary source in the central Kern County fields.

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

The application review for Project #S-1122378 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-2980-52-5

ISSUANCE DATE: 09/24/2012

LEGAL OWNER OR OPERATOR: SAN JOAQUIN FACILITIES MGMT

MAILING ADDRESS: 4520 CALIFORNIA AVENUE, SUITE 300

BAKERSFIELD, CA 93309

LOCATION: LIGHT OIL CENTRAL STATIONARY SOURCE

SECTION: SW27 TOWNSHIP: 29S RANGE: 26E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 10 MMBTU/HRproduced gas flare with pilot - Brandt lease 26X-27 serving separator vessel listed on permit unit S-2980-47: increase annual flare gas flowrate

CONDITIONS

1. The flare is to be used only if disposal wells, a sales gas line, combustion sources creating useful work or permit exempt heater are not available. The flare shall have a destruction efficiency > 98% and be air assist and equipped with non automatic or electronic or ballistic ignition. [Public Resources Code 21000-21177: California Environmental Quality Act, District Rule 4102, and CH&SC 41700]

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

3. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201, 3.1]

4. The flare shall be designed for smokeless operation, with no visible emissions in excess of 5% opacity. [District Rule 2201, 4.1 and 40 CFR 60.18(c)(1)]

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

6. The flare shall be equipped with an operational gas flow meter. [District Rule 2201]

7. Maximum heat input to flare shall not exceed 138 MMBtu/day nor 11,999 MMBtu/yr. [District Rule 2201]

8. Emission rates from this unit shall not exceed any of the following limits: NOx - 0.068 lb/MMBtu; VOC - 0.063 lb/MMBtu; CO - 0.37 lb/MMBtu; or PM10 - 0.008 lb/MMBtu. [District Rule 2201]

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
Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
9. Emissions from the flare shall not exceed any of the following: 1.1 lb-PM10/day, 0.9 lb-sulfur compounds (as SO2)/day, 9.4 lb-NOx (as NO2)/day, 8.7 lb-VOC/day, or 51.1 lb-CO/day. [District Rule 2201]

10. The flare shall be inspected during operation for visible emissions, using EPA Method 22. If visible emissions are observed, corrective action shall be taken. If visible emissions cannot be eliminated, an EPA Method 9 test shall be conducted within 72 hours. [District Rule 2201 and 40 CFR 60.18(f)(1)]

11. The sulfur content of the gas being flared shall not exceed exceed 3.0 gr S/100scf. [District Rules 2201 and 4801]

12. To show compliance with emission limits, the gas being flared shall be tested weekly for sulfur content. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks (or a smaller number of times as approved by the District compliance division) for the gas being flared, then the compliance testing frequency shall be semi-annually. If a semi-annual sulfur content test fails to show compliance, weekly testing shall resume. [District Rule 2201]

13. The sulfur content of the gas being flared shall be determined using ASTM D1072, D3031, D4084, D3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2201]

14. The flare shall be operated according to the manufacturer’s specifications, a copy of which shall be maintained on site. [District Rule 2201]

15. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311, 5.2 and 40CFR 60.18(c)(2)]

16. The outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311, 5.3 and 40CFR 60.18(f)(2)]

17. Except for flares equipped with a flow-sensing ignition system, a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device, capable of continuously detecting at least one pilot flame or the flare flame is present shall be installed and operated. [District Rule 4311, 5.4 and 40CFR 60.18(f)(2)]

18. Flares that use flow-sensing automatic ignition systems and which do not use a continuous flame pilot shall use purge gas for purging. [District Rule 4311, 5.5]

19. A non-assisted flare shall have a diameter of 3 inches or greater, have a minimum hydrogen content of 8.0% by volume, and be designed for and operated with an exit velocity less than 122 ft/sec and less than the velocity Vmax, as determined by the equation specified in paragraph 40 CFR 60.18 (c)(3)(i)(A). [40 CFR 60.18 (c)(3)(i)(a)]

20. The actual exit velocity of a flare shall be determined by dividing the volumetric flowrate (in units of standard temperature and pressure), as determined by Reference Methods 2, 2A, 2C, or 2D as appropriate; by the unobstructed (free) cross sectional area of the flare tip. [40 CFR 60.18 (f)(4)]

21. Non-assisted flares shall be operated with an exit velocity less than 60 ft/sec, except as provided in 40 CFR 60.18 (c)(4)(ii) and (iii). [40 CFR 60.18 (c)(4)(i)]

22. Non-assisted flares may be operated with an exit velocity equal to or greater than 60 ft/sec, but less than 400 ft/sec, if the net heating value of the gas being combusted is greater than 1,000 Btu/scf. [40 CFR 60.18 (c)(4)(ii)]

23. Non-assisted flares may be operated with an exit velocity less than the velocity Vmax, as determined by the methods specified in 40 CFR 60.18 (f)(5), and less than 400 ft/sec. [40 CFR 60.18 (c)(4)(iii)]

24. The net heating value of the gas being combusted the flare shall be calculated pursuant to 40 CFR 60.18(f)(3) or by using EPA Method 18, ASTM D1946, and ASTM D2382 if published values are not available or cannot be calculated. [40 CFR 60.18 (f)(3)]

25. The permittee shall maintain accurate daily records of visible emission checks. [District Rule 2201]

26. The permittee shall maintain daily and annual records of the higher heat input (MMBtu/day, MMBtu/yr) and weekly and quarterly records of the sulfur content of flared gas. [District Rule 2201]

27. All records, including required monitoring data and support information, shall be maintained and retained for a period of 5 years and made available for inspection at any time. [District Rules 1070 and 4311, 6.2]

28. PTO S-2980-27-1 is cancelled upon implementation of this ATC. [District Rule 2201]