Mark J. Pishinsky
Veneco, Inc.
1518 Mill Rock Way, Suite 100
Bakersfield, CA 93311

RE: Notice of Final Action - Authority to Construct
Project Number: S-1122816

Dear Mr. Pishinsky:

The Air Pollution Control Officer has issued Authority to Construct permits to Veneco, Inc. for four new 500 bbl oil storage tanks served by a vapor control system vented to a flare, at the Bowerbank well pad near the Belridge Oil Field within the SE/4 of Section 9, Township 29S, Range 24E MDBM.

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 10/22/2012. The District's analysis of the proposal was also sent to CARB on 10/17/2012. 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

Enclosures
NOV 29 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-1122816

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued Authority to Construct permits to Veneco, Inc. for four new 500 bbl oil storage tanks served by a vapor control system vented to a flare, at the Bowerbank well pad near the Belridge Oil Field within the SE/4 of Section 9, Township 29S, Range 24E MDBM.

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Sincerely,

David Warner
Director of Permit Services

DW:DBT/cf

Enclosures
Your Order is sent.

Customer Information

Customer Name: SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT  
Master Id: 72243

Address: 1990 E. GETTYSBERG AVE.  
City: FRESNO  
State - Zip: CA - 93726

Product Information  
Legal: GOVERNMENT - GOVT PUBLIC NOTICE

Order Information

Attention Name: Carol Flores  
Billing Reference No.: 32

Ad Description: Final Veneco, Inc S-1122816 cf  
Sale/Hrg/Bid Date: 12/04/2012

Special Instructions: Please email copy of notice to carol.flores@valleyair.org

Orders Created

<table>
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<tr>
<th>Order No.</th>
<th>Newspaper Name</th>
<th>Publishing Dates</th>
<th>Ad</th>
<th>Price Description</th>
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| 2414950   | THE BAKERSFIELD CALIFORNIAN, CA | 12/04/2012 | Depth : 3.50"  
Lines : 43 | $ No Pricing Formula for 2576 | Pricing will be done by DJC | Sent |

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 Veneco, Inc. for four new 500 bbl oil storage tanks served by a vapor control system vented to a flare, at the Bowerbank well pad near the Betridge Oil Field within the SE/4 of Section 9, Township 29S, Range 24E MDBM.

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

The application review for Project #S-1122816 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, REGION'S ADDRESS REGION'S ADDRESS.
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 Veneco, Inc. for four new 500 bbl oil storage tanks served by a vapor control system vented to a flare, at the Bowerbank well pad near the Belridge Oil Field within the SE/4 of Section 9, Township 29S, Range 24E MDBM.

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

The application review for Project #S-1122816 is available for public inspection at http://www.valleyair.org/notice/public_notices_idx.htm and the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, REGION'S ADDRESS REGION'S ADDRESS.
AUTHORITY TO CONSTRUCT

PERMIT NO: S-8185-1-0  
ISSUANCE DATE: 11/28/2012

LEGAL OWNER OR OPERATOR: VENOCO, INC.
MAILING ADDRESS: 1518 MILL ROCK WAY
SUITE 100
BAKERSFIELD, CA 93311

LOCATION: LIGHT OIL CENTRAL STATIONARY SOURCE
BAKERSFIELD, CA

SECTION: SE9  TOWNSHIP: 29S  RANGE: 24E

EQUIPMENT DESCRIPTION:
500 BBL WASH BAKER TANK WITH VAPOR CONTROL SYSTEM INCLUDING SEPARATOR VESSEL(S) AND A H2S SCRUBBER VENTING TO FLARE S-8185-5 SERVING TANKS S-8185-2, '3 AND '4

CONDITIONS

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

2. The tank shall be equipped with a vapor recovery system consisting of a closed vent system that collects all VOCs from the storage tanks and and routes them to flare S-8185-5. The vapor recovery system shall be APCO-approved and maintained in gas-tight condition. [District Rule 2201]

3. A leak-free condition is defined as a condition without a gas leak or a liquid leak. A gas leak is defined as a reading in excess of 10,000 parts per million by volume (ppmv). The ppmv readings, as methane above background, shall be taken using a portable hydrocarbon detection instrument that is calibrated to methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate more than 3 drops per minute. A gas or liquid leak is a violation of this permit. [District Rules 2201]

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

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

6. VOC fugitive emissions from the components in gas and light oil service on the tank and vapor control system shall not exceed 0.5 lb/day. [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 Sadedin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93305 • (661) 392-5500 • Fax (661) 392-5585
7. Fugitive VOC emissions rate shall be, calculated using CAPCOA California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities Table IV-2c, Oil and Gas Production Screening Value Ranges Emission Factors (Feb 1999), from the total number of components from this tank. [District Rule 2201]

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

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

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

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

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

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

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

15. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rule 4623]

16. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of this rule. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of this rule. [District Rule 4623]

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

CONDITIONS CONTINUE ON NEXT PAGE
18. Any component found to be leaking on two consecutive annual inspections is in violation of this rule, even if covered under the voluntary inspection and maintenance program. [District Rule 4623]

19. Permittee shall notify the APCO in writing at least three (3) days prior to performing tank degassing and interior tank cleaning activities. Written notification shall include the following: 1) the Permit to Operate number and physical location of the tank being degassed, 2) the date and time that tank degassing and cleaning activities will begin, 3) the degassing method, as allowed in this permit, to be used, 4) the method to be used to clean the tank, including any solvents to be used, and 5) the method to be used to dispose of any removed sludge, including methods that will be used to control emissions from the receiving vessel and emissions during transport. [District Rule 4623 or 2080]

20. This tank shall be degassed by restricting the outflow of water and floating off the oilpad, such that at least 90 percent of the tank volume is displaced. [District Rule 4623 or 2080]

21. During tank degassing, the operator shall discharge or displace organic vapors contained in the tank vapor space to an APCO-approved vapor recovery system. [District Rule 4623 or 2080]

22. To facilitate connection to an external APCO-approved recovery system, a suitable tank fitting, such as a manway, may be temporarily removed for a period of time not to exceed 1 hour. [District Rule 4623 or 2080]

23. This tank shall be in compliance with the applicable requirements of District Rule 4623 at all times during draining, degassing, and refilling the tank with an organic liquid having a TVP of 0.5 psia or greater. [District Rule 4623]

24. After a tank has been degassed pursuant to the requirements of this permit, vapor control requirements are not applicable until an organic liquid having a TVP of 0.5 psia or greater is placed, held, or stored in this tank. [District Rule 4623 or 2080]

25. While performing tank cleaning activities, operators may only use the following cleaning agents: diesel, solvents with an initial boiling point of greater than 302 degrees F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams of VOC per liter or less. [District Rule 4623 or 2080]

26. Steam cleaning shall only be allowed at locations where wastewater treatment facilities are limited, or during the months of December through March. [District Rule 4623 or 2080]

27. The following three conditions only apply if the tank is holding organic liquids with a TVP of 1.5 psia or greater. [District Rule 4623]

28. During sludge removal, the operator shall control emissions from the sludge receiving vessel by operating an APCO-approved vapor control device that reduces emissions of organic vapors by at least 95%. [District Rule 4623]

29. Permittee shall store removed sludge, until final disposal, in vacuum leak-free containers, or in tanks complying with the vapor control requirements of District Rule 4623. Sludge that is to be used to manufacture roadmix, as defined in District Rule 2020, is not required to be stored in this manner. Roadmix manufacturing operations exempt pursuant to District Rule 2020 shall maintain documentation of their compliance with Rule 2020, and shall readily make said documentation available for District inspection upon request. [District Rules 2020 and 4623]

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

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

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

33. Permittee shall maintain records of number and type of components installed and calculated fugitive emissions. Permittee shall update such records when new components are installed. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-8185-2-0

LEGAL OWNER OR OPERATOR: VENOCO, INC.
MAILING ADDRESS: 1518 MILL ROCK WAY
                  SUITE 100
                  BAKERSFIELD, CA 93311

LOCATION: LIGHT OIL CENTRAL STATIONARY SOURCE
           BAKERSFIELD, CA

SECTION: SE9  TOWNSHIP: 29S  RANGE: 24E

EQUIPMENT DESCRIPTION:
500 BBL STOCK BAKER TANK SERVED BY VAPOR CONTROL SYSTEM LISTED ON S-8185-1

CONDITIONS

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

2. A leak-free condition is defined as a condition without a gas leak or a liquid leak. A gas leak is defined as a reading in excess of 10,000 parts per million by volume (ppmv). The ppmv readings, as methane above background, shall be taken using a portable hydrocarbon detection instrument that is calibrated to methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate more than 3 drops per minute. A gas or liquid leak is a violation of this permit. [District Rules 2201]

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

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

5. VOC fugitive emissions from the components in gas and light oil service on the tank and vapor control system shall not exceed 0.3 lb/day. [District Rule 2201]

6. Fugitive VOC emissions rate shall be, calculated using CAPCOA California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities Table IV-2c, Oil and Gas Production Screening Value Ranges Emission Factors (Feb 1999), from the total number of components from this tank. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

(661) 392-5500 • Fax (661) 392-5585

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308
7. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

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

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

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17. Any component found to be leaking on two consecutive annual inspections is in violation of this rule, even if covered under the voluntary inspection and maintenance program. [District Rule 4623]
18. Permittee shall notify the APCO in writing at least three (3) days prior to performing tank degassing and interior tank cleaning activities. Written notification shall include the following: 1) the Permit to Operate number and physical location of the tank being degassed, 2) the date and time that tank degassing and cleaning activities will begin, 3) the degassing method, as allowed in this permit, to be used, 4) the method to be used to clean the tank, including any solvents to be used, and 5) the method to be used to dispose of any removed sludge, including methods that will be used to control emissions from the receiving vessel and emissions during transport. [District Rule 4623 or 2080]

19. This tank shall be degassed before commencing interior cleaning by following one of the following options: 1) exhausting VOCs contained in the tank vapor space to an APCO-approved vapor recovery system until the organic vapor concentration is 5,000 ppmv or less, or is 10 percent or less of the lower explosion limit (LEL), whichever is less, or 2) by displacing VOCs contained in the tank vapor space to an APCO-approved vapor recovery system by filling the tank with a suitable liquid until 90 percent or more of the maximum operating level of the tank is filled. Suitable liquids are organic liquids having a TVP of less than 0.5 psia, water, clean produced water, or produced water derived from crude oil having a TVP less than 0.5 psia, or 3) by displacing VOCs contained in the tank vapor space to an APCO-approved vapor recovery system by filling the tank with a suitable gas. Degassing shall continue until the operator has achieved a vapor displacement equivalent to at least 2.3 times the tank capacity. Suitable gases are air, nitrogen, carbon dioxide, or natural gas containing less than 10 percent VOC by weight. [District Rule 4623 or 2080]

20. During tank degassing, the operator shall discharge or displace organic vapors contained in the tank vapor space to an APCO-approved vapor recovery system. [District Rule 4623 or 2080]

21. To facilitate connection to an external APCO-approved recovery system, a suitable tank fitting, such as a manway, may be temporarily removed for a period of time not to exceed 1 hour. [District Rule 4623 or 2080]

22. This tank shall be in compliance with the applicable requirements of District Rule 4623 at all times during draining, degassing, and refilling the tank with an organic liquid having a TVP of 0.5 psia or greater. [District Rule 4623]

23. After a tank has been degassed pursuant to the requirements of this permit, vapor control requirements are not applicable until an organic liquid having a TVP of 0.5 psia or greater is placed, held, or stored in this tank. [District Rule 4623 or 2080]

24. While performing tank cleaning activities, operators may only use the following cleaning agents: diesel, solvents with an initial boiling point of greater than 302 degrees F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams of VOC per liter or less. [District Rule 4623 or 2080]

25. Steam cleaning shall only be allowed at locations where wastewater treatment facilities are limited, or during the months of December through March. [District Rule 4623 or 2080]

26. The following three conditions only apply if the tank is holding organic liquids with a TVP of 1.5 psia or greater. [District Rule 4623]

27. During sludge removal, the operator shall control emissions from the sludge receiving vessel by operating an APCO-approved vapor control device that reduces emissions of organic vapors by at least 95%. [District Rule 4623]

28. Permittee shall store removed sludge, until final disposal, in vapor leak-free containers, or in tanks complying with the vapor control requirements of District Rule 4623. Sludge that is to be used to manufacture roadmix, as defined in District Rule 2020, is not required to be stored in this manner. Roadmix manufacturing operations exempt pursuant to District Rule 2020 shall maintain documentation of their compliance with Rule 2020, and shall readily make said documentation available for District inspection upon request. [District Rules 2020 and 4623]

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

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

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

CONDITIONS CONTINUE ON NEXT PAGE
32. Permittee shall maintain records of number and type of components installed and calculated fugitive emissions. Permittee shall update such records when new components are installed. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-8185-3-0  
LEGAL OWNER OR OPERATOR: VENOCO, INC.  
MAILING ADDRESS: 1518 MILL ROCK WAY  
SUITE 100  
BAKERSFIELD, CA 93311  

LOCATION: LIGHT OIL CENTRAL STATIONARY SOURCE  
BAKERSFIELD, CA  

SECTION: SE9  TOWNSHIP: 29S  RANGE: 24E  

EQUIPMENT DESCRIPTION:  
500 BBL PRODUCED WATER BAKER TANK SERVED BY VAPOR CONTROL SYSTEM LISTED ON S-8185-1  

CONDITIONS

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

2. A leak-free condition is defined as a condition without a gas leak or a liquid leak. A gas leak is defined as a reading in excess of 10,000 parts per million by volume (ppmv). The ppmv readings, as methane above background, shall be taken using a portable hydrocarbon detection instrument that is calibrated to methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate more than 3 drops per minute. A gas or liquid leak is a violation of this permit. [District Rules 2201]  

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

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

5. VOC fugitive emissions from the components in gas and light oil service on the tank and vapor control system shall not exceed 0.3 lb/day. [District Rule 2201]  

6. Fugitive VOC emissions rate shall be, calculated using CAPCOA California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities Table IV-2c, Oil and Gas Production Screening Value Ranges Emission Factors (Feb 1999), from the total number of components from this tank. [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 COMPLETED IN ACCORDANCE WITH 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 • 34948 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
7. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4409]

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

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

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

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

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

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

14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaky. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rule 4623]

15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of this rule. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of this rule. [District Rule 4623]

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

17. Any component found to be leaking on two consecutive annual inspections is in violation of this rule, even if covered under the voluntary inspection and maintenance program. [District Rule 4623]
18. Permittee shall notify the APCO in writing at least three (3) days prior to performing tank degassing and interior tank cleaning activities. Written notification shall include the following: 1) the Permit to Operate number and physical location of the tank being degassed, 2) the date and time that tank degassing and cleaning activities will begin, 3) the degassing method, as allowed in this permit, to be used, 4) the method to be used to clean the tank, including any solvents to be used, and 5) the method to be used to dispose of any removed sludge, including methods that will be used to control emissions from the receiving vessel and emissions during transport. [District Rule 4623 or 2080]

19. This tank shall be degassed before commencing interior cleaning by following one of the following options: 1) exhausting VOCs contained in the tank vapor space to an APCO-approved vapor recovery system until the organic vapor concentration is 5,000 ppmv or less, or is 10 percent or less of the lower explosion limit (LEL), whichever is less, or 2) by displacing VOCs contained in the tank vapor space to an APCO-approved vapor recovery system by filling the tank with a suitable liquid until 90 percent or more of the maximum operating level of the tank is filled. Suitable liquids are organic liquids having a TVP of less than 0.5 psia, water, clean produced water, or produced water derived from crude oil having a TVP less than 0.5 psia, or 3) by displacing VOCs contained in the tank vapor space to an APCO-approved vapor recovery system by filling the tank with a suitable gas. Degassing shall continue until the operator has achieved a vapor displacement equivalent to at least 2.3 times the tank capacity. Suitable gases are air, nitrogen, carbon dioxide, or natural gas containing less than 10 percent VOC by weight. [District Rule 4623 or 2080]

20. During tank degassing, the operator shall discharge or displace organic vapors contained in the tank vapor space to an APCO-approved vapor recovery system. [District Rule 4623 or 2080]

21. To facilitate connection to an external APCO-approved recovery system, a suitable tank fitting, such as a manway, may be temporarily removed for a period of time not to exceed 1 hour. [District Rule 4623 or 2080]

22. This tank shall be in compliance with the applicable requirements of District Rule 4623 at all times during draining, degassing, and refilling the tank with an organic liquid having a TVP of 0.5 psia or greater. [District Rule 4623]

23. After a tank has been degassed pursuant to the requirements of this permit, vapor control requirements are not applicable until an organic liquid having a TVP of 0.5 psia or greater is placed, held, or stored in this tank. [District Rule 4623 or 2080]

24. While performing tank cleaning activities, operators may only use the following cleaning agents: diesel, solvents with an initial boiling point of greater than 302 degrees F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams of VOC per liter or less. [District Rule 4623 or 2080]

25. Steam cleaning shall only be allowed at locations where wastewater treatment facilities are limited, or during the months of December through March. [District Rule 4623 or 2080]

26. The following three conditions only apply if the tank is holding organic liquids with a TVP of 1.5 psia or greater. [District Rule 4623]

27. During sludge removal, the operator shall control emissions from the sludge receiving vessel by operating an APCO-approved vapor control device that reduces emissions of organic vapors by at least 95%. [District Rule 4623]

28. Permittee shall store removed sludge, until final disposal, in vapor leak-free containers, or in tanks complying with the vapor control requirements of District Rule 4623. Sludge that is to be used to manufacture roadmix, as defined in District Rule 2020, is not required to be stored in this manner. Roadmix manufacturing operations exempt pursuant to District Rule 2020 shall maintain documentation of their compliance with Rule 2020, and shall readily make said documentation available for District inspection upon request. [District Rules 2020 and 4623]

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

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

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

CONDITIONS CONTINUE ON NEXT PAGE
32. Permittee shall maintain records of number and type of components installed and calculated fugitive emissions. Permittee shall update such records when new components are installed. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO: S-8185-4-0

LEGAL OWNER OR OPERATOR: VENOCO, INC.
MAILING ADDRESS: 1518 MILL ROCK WAY
                 SUITE 100
                 BAKERSFIELD, CA 93311

LOCATION: LIGHT OIL CENTRAL STATIONARY SOURCE
           BAKERSFIELD, CA

SECTION: SE9  TOWNSHIP: 29S  RANGE: 24E

EQUIPMENT DESCRIPTION: 500 BBL PRODUCED WATER BAKER TANK SERVED BY VAPOR CONTROL SYSTEM LISTED ON S-8185-1

CONDITIONS

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

2. A leak-free condition is defined as a condition without a gas leak or a liquid leak. A gas leak is defined as a reading in excess of 10,000 parts per million by volume (ppmv). The ppmv readings, as methane above background, shall be taken using a portable hydrocarbon detection instrument that is calibrated to methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate more than 3 drops per minute. A gas or liquid leak is a violation of this permit. [District Rules 2201]

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

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

5. VOC fugitive emissions from the components in gas and light oil service on the tank and vapor control system shall not exceed 0.3 lb/day. [District Rule 2201]

6. Fugitive VOC emissions rate shall be, calculated using CAPCOA California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities Table IV-2c, Oil and Gas Production Screening Value Ranges Emission Factors (Feb 1999), from the total number of components from this tank. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadedin, Executive Director / APCO

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

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

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

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

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

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

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

14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rule 4623]

15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of this rule. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of this rule. [District Rule 4623]

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

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

CONDITIONS CONTINUE ON NEXT PAGE
18. Permittee shall notify the APCO in writing at least three (3) days prior to performing tank degassing and interior tank cleaning activities. Written notification shall include the following: 1) the Permit to Operate number and physical location of the tank being degassed, 2) the date and time that tank degassing and cleaning activities will begin, 3) the degassing method, as allowed in this permit, to be used, 4) the method to be used to clean the tank, including any solvents to be used, and 5) the method to be used to dispose of any removed sludge, including methods that will be used to control emissions from the receiving vessel and emissions during transport. [District Rule 4623 or 2080]

19. This tank shall be degassed before commencing interior cleaning by following one of the following options: 1) exhausting VOCs contained in the tank vapor space to an APCO-approved vapor recovery system until the organic vapor concentration is 5,000 ppmv or less, or is 10 percent or less of the lower explosion limit (LEL), whichever is less, or 2) by displacing VOCs contained in the tank vapor space to an APCO-approved vapor recovery system by filling the tank with a suitable liquid until 90 percent or more of the maximum operating level of the tank is filled. Suitable liquids are organic liquids having a TVP of less than 0.5 psia, water, clean produced water, or produced water derived from crude oil having a TVP less than 0.5 psia, or 3) by displacing VOCs contained in the tank vapor space to an APCO-approved vapor recovery system by filling the tank with a suitable gas. Degassing shall continue until the operator has achieved a vapor displacement equivalent to at least 2.3 times the tank capacity. Suitable gases are air, nitrogen, carbon dioxide, or natural gas containing less than 10 percent VOC by weight. [District Rule 4623 or 2080]

20. During tank degassing, the operator shall discharge or displace organic vapors contained in the tank vapor space to an APCO-approved vapor recovery system. [District Rule 4623 or 2080]

21. To facilitate connection to an external APCO-approved recovery system, a suitable tank fitting, such as a manway, may be temporarily removed for a period of time not to exceed 1 hour. [District Rule 4623 or 2080]

22. This tank shall be in compliance with the applicable requirements of District Rule 4623 at all times during draining, degassing, and refilling the tank with an organic liquid having a TVP of 0.5 psia or greater. [District Rule 4623]

23. After a tank has been degassed pursuant to the requirements of this permit, vapor control requirements are not applicable until an organic liquid having a TVP of 0.5 psia or greater is placed, held, or stored in this tank. [District Rule 4623 or 2080]

24. While performing tank cleaning activities, operators may only use the following cleaning agents: diesel, solvents with an initial boiling point of greater than 302 degrees F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams of VOC per liter or less. [District Rule 4623 or 2080]

25. Steam cleaning shall only be allowed at locations where wastewater treatment facilities are limited, or during the months of December through March. [District Rule 4623 or 2080]

26. The following three conditions only apply if the tank is holding organic liquids with a TVP of 1.5 psia or greater. [District Rule 4623]

27. During sludge removal, the operator shall control emissions from the sludge receiving vessel by operating an APCO-approved vapor control device that reduces emissions of organic vapors by at least 95%. [District Rule 4623]

28. Permittee shall store removed sludge, until final disposal, in vapor leak-free containers, or in tanks complying with the vapor control requirements of District Rule 4623. Sludge that is to be used to manufacture roadmix, as defined in District Rule 2020, is not required to be stored in this manner. Roadmix manufacturing operations exempt pursuant to District Rule 2020 shall maintain documentation of their compliance with Rule 2020, and shall readily make said documentation available for District inspection upon request. [District Rules 2020 and 4623]

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

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

31. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4409]
32. Permittee shall maintain records of number and type of components installed and calculated fugitive emissions. Permittee shall update such records when new components are installed. [District Rule 2201]
AUTHORITY TO CONSTRUCT

PERMIT NO:  S-8185-5-0  
LEGAL OWNER OR OPERATOR:  VENOCO, INC.  
MAILING ADDRESS:  1618 MILL ROCK WAY  
                      SUITE 100  
                      BAKERSFIELD, CA 93311  
LOCATION:  LIGHT OIL CENTRAL STATIONARY SOURCE  
           BAKERSFIELD, CA  
SECTION:  SE9  
TOWNSHIP:  29S  
RANGE:  24E  
EQUIPMENT DESCRIPTION:  MACTRONIC AIR ASSISTED PRODUCED GAS FLARE SERVING VAPOR CONTROL SYSTEM LISTED ON S-8185-1

CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]  
2. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1/4 or 5% opacity. [District Rule 4101]  
3. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]  
4. The outlet shall be equipped with an automatic ignition system. [District Rule 2201]  
5. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 2201]  
6. Flare shall be equipped with flared gas flow meter. [District Rule 2201]  
7. Gas rate to the flare shall not exceed 800 MMBtu per day. [District Rule 2201]  
8. Emission rates for the flare shall not exceed any of the following: PM10: 0.008 lb/MMBtu, NOx (as NO2): 0.068 lb/MMBtu, VOC: 0.063 lb/MMBtu or CO: 0.37 lb/MMBtu. [District Rule 2201]  
9. The sulfur content of the gas being flared shall not exceed exceed 1.0 gr S/100scf. [District Rules 2201 and 4801]  
10. The sulfur content of the gas being incinerated shall be determined using ASTM Test Methods D3246, D4084, D4810, double GC for H2S and mercaptans, or other method approved by the APCO. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadrelin, Executive Director / APCO

DAVID WARNER, Director of Permit Services
Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5586
11. The higher heating value of the flared gas shall be monitored at least quarterly or upon change of source of flared gas. [District Rules 1070 and 2201]

12. Permittee shall keep accurate records of daily and annual flared gas flow rate and heat input in MMBtu/day and MMBtu/yr. [District Rule 2201]

13. Records of the gas sulfur content and required gas flow measurements shall be maintained, retained for a period of at least five years, and made available for District inspection upon request. [District Rule 1070]

14. Permittee shall keep accurate records of annual throughput, material usage, or other information necessary to demonstrate that facility emissions are less than 10 tons NOx/yr and 10 tons VOC/yr for exemption from Rule 4311. [District Rule 4311]

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