



JUN 30 2010

Adean Valenzuela
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

**Re: Notice of Final Action - Significant Title V Permit Modification
District Facility # S-1547
Project # 1093738**

Dear Mr. Valenzuela:

The Air Pollution Control Officer has modified the Title V permit for Aera Energy LLC incorporating Authorities to Construct (ATCs) S-1547-995-12 and '-995-13. The ATCs authorize rerating and revision of startup and shutdown conditions of a heater treater.

Enclosed is the modified Title V permit. The application and proposal were sent to US EPA Region IX on May 12, 2010. No comments were received following the District's preliminary decision on this project.

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

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

Sincerely,

David Warner
Director of Permit Services

DW: RUE/cm

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



JUN 30 2010

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

**Re: Notice of Final Action - Significant Title V Permit Modification
District Facility # S-1547
Project # 1093738**

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JUN 30 2010

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

**Re: Notice of Final Action - Significant Title V Permit Modification
District Facility # S-1547
Project # 1093738**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has modified the Title V permit for Aera Energy LLC incorporating Authorities to Construct (ATCs) S-1547-995-12 and '-995-13. The ATCs authorize rerating and revision of startup and shutdown conditions of a heater treater.

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David Warner
Director of Permit Services

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

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

The District's analysis of the legal and factual basis for this proposed action, project #1093738, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. For additional information regarding this matter, please Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900, or contact David Warner, Director of Permit Services, in writing at SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 E. GETTYSBURG AVE, FRESNO, CA 93726-0244.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1547-995-14

EXPIRATION DATE: 05/31/2007

SECTION: NW14 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

5 MMBTU/HR GAS-FIRED HEATER TREATER WITH ONE 5 MMBTU/HR JOHN ZINK MODEL SZ12.2-G-50 BURNER AND FGR AND SERVED BY VAPOR CONTROL SYSTEM LISTED ON S-1547-865 - (NORTH MIDWAY UNIT B-101A - ALBERTA SHALE LEASE)

PERMIT UNIT REQUIREMENTS

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 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
3. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
4. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last Amended December 16, 1993). [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
5. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
6. The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
7. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
8. When complying with SO_x emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6; or EPA Method 6B; or EPA Method 8; or ARB Methods 8 or 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculate emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
9. If the unit is fired on noncertified gaseous fuel and compliance with SO_x emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 4468, D 4084, D3246 or grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory. [District Rule 2520, 9.4.2; and 4307] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

10. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; and 4307] Federally Enforceable Through Title V Permit
11. Heater treater shall be fired exclusively on natural gas or LPG and shall have no provisions for firing on fuel oil. [District Rule 2201] Federally Enforceable Through Title V Permit
12. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. [District Rules 2201 and 4307] Federally Enforceable Through Title V Permit
13. Unit shall be operated in accordance with the manufacturer's recommendations. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Emission rates, except during startup and shutdown shall not exceed any of the following: PM10: 0.014 lb/MMBtu, SOx (as SO2): 0.002 lb/MMBtu, VOC: 0.003 lb/MMBtu, NOx (as NO2): 0.036 lb/MMBtu or 30 ppmv @ 3% O2, or CO: 0.037 lb/MMBtu or 50 ppmv @ 3% O2. [District Rules 2201, 2520, 4201, 4301, 4307, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
15. Emission rates during startup and shutdown shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
16. Emission rates shall not exceed any of the following: PM10: 1.7 lb/day, SOx (as SO2): 0.2 lb/day, VOC: 0.4 lb/day, NOx (as NO2): 4.3 lb/day, or CO: 4.4 lb/day. [District Rule 2201 and 4307] Federally Enforceable Through Title V Permit
17. Duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307] Federally Enforceable Through Title V Permit
18. Permittee shall maintain records of duration of each start-up and shutdown that exceed one hour per occurrence for a period of five years and make such records readily available for District inspection upon request. [District Rule 4307] Federally Enforceable Through Title V Permit
19. 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 emission monitor 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 2520, 9.4.2, and 4307] Federally Enforceable Through Title V Permit
20. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, 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 the performing the notification and testing required by this condition. [District Rule 2520, 9.4.2 and 4307] Federally Enforceable Through Title V Permit
21. If the unit is tuned for compliance, the owner/operator shall have unit tuned at least twice each calendar year, from four to eight months apart, in which it operates, by a technician that is qualified, to the satisfaction of the APCO, in accordance with the procedure described in Rule 4304 (Equipment Tuning Procedure for Boilers, Steam Generators, and Process Heaters). Permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
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22. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rule 4307] Federally Enforceable Through Title V Permit
23. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307] Federally Enforceable Through Title V Permit
24. If NO_x emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentration corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rule 4307] Federally Enforceable Through Title V Permit
25. Records of tune-up and monitoring of the operational characteristics of the unit shall be maintained. [District Rule 4307] Federally Enforceable Through Title V Permit
26. Records of monthly and annual heat input of the unit shall be maintained. [District Rules 2201 and 4307] Federally Enforceable Through Title V Permit
27. Vessel covers, inspection hatches, etc. shall be maintained in gas-tight (as defined in Rule 4623) condition except during vessel cleaning, repair and maintenance. [District Rule 2201] Federally Enforceable Through Title V Permit
28. Fluid treatment chamber of heater treater shall be connected to vapor control system listed on PTO S-1547-865. [District Rule 2201] Federally Enforceable Through Title V Permit
29. All piping, fittings, and valves shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
30. Gas-tight (as defined in District Rule 4623, 5.3.3) shall be defined as emitting no more than 10,000 ppm of methane measured at a distance of one centimeter from the potential source with an instrument calibrated with methane in accordance with EPA Method 21. Emissions in excess of this limit shall be considered a leak. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
31. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
32. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
33. Emissions from components which have been tagged by the facility operator for repair within 15 calendar days or which have been repaired and are awaiting re-inspection shall not be in violation of this permit. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
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34. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 95 percent efficient as measured by EPA Method 25 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 95% control efficiency as measured by EPA Method 25 at least annually. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
35. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
36. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
37. 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 Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
38. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rule 4306] Federally Enforceable Through Title V Permit
39. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
40. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 8 or 100 or EPA Method 6, 6B or 8 or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - ASTM D1072, D4468, D3246, D3246, D4084 or double GC for H2S and mercaptans performed in laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rule 1081 and 4307] Federally Enforceable Through Title V Permit
41. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
42. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and 4306] Federally Enforceable Through Title V Permit
43. Note: Formerly S-1511-628

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