



NOV 23 2010

John Hess  
Bonanza Creek Energy Operating Company  
4900 California Avenue, Suite 350B  
Bakersfield, CA 93309

**RE: Notice of Final Action - Authority to Construct  
Project Number: S-1103330**

Dear Mr. Hess:

The Air Pollution Control Officer has issued Authority to Construct permits to Bonanza Creek Energy Operating Company for two new crude oil storage tanks, 250 bbl drain tank and 300 bbl clarifier tank and reduce throughput on existing tank '6 to net emissions, at Bonanza's 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 these Authorities to Construct was published on October 8, 2010. The District's analysis of the proposal was also sent to CARB on October 5, 2010. 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: SB/cm

Enclosures

**Seyed Sadredin**  
Executive Director/Air Pollution Control Officer

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**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



NOV 23 2010

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-1103330**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued Authority to Construct permits to Bonanza Creek Energy Operating Company for two new crude oil storage tanks, 250 bbl drain tank and 300 bbl clarifier tank and reduce throughput on existing tank '6 to net emissions, at Bonanza's Heavy Oil Western Stationary Source.

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Tel: 661-392-5500 FAX: 661-392-5585

Bakersfield Californian

**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 Bonanza Creek Energy Operating Company for two new crude oil storage tanks, 250 bbl drain tank and 300 bbl clarifier tank and reduce throughput on existing tank '6 to net emissions, at Bonanza's Heavy Oil Western Stationary Source.

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

The application review for Project #S-1103330 is available for public inspection at [http://www.valleyair.org/notices/public\\_notices\\_idx.htm](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-3007-6-2

ISSUANCE DATE: 11/10/2010

LEGAL OWNER OR OPERATOR: BONANZA CREEK ENERGY OPERATING COMPANY

MAILING ADDRESS: P O BOX 21974  
BAKERSFIELD, CA 93390

LOCATION: HEAVY OIL WESTERN  
MIDWAY SUNSET OIL FIELD S SE23, T11N, R23W

SECTION: SE23 TOWNSHIP: 11N RANGE: 23W

**EQUIPMENT DESCRIPTION:**

MODIFICATION OF 500 BBL FIXED ROOF CRUDE OIL STOCK TANK #2 (RIPLEY TATUM LEASE): REDUCE THROUGHPUT FROM 100 BBL TO 80 BBL PER DAY

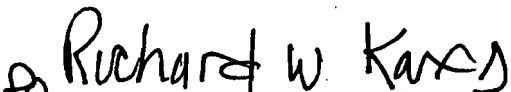
### CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. To maintain status as small producer permittee's crude oil production shall average less than 6,000 bbl/day from all operations within Kern County and permittee shall not engage in refining, transporting or marketing of refined petroleum products. [District Rule 1020]
3. The permittee shall not emit more than one half of the major source threshold based on a rolling 12-month summary of actual emissions. [District Rule 2530, 6.1]
4. The permittee shall maintain a record of the rolling 12-month summary of actual emissions from permitted operations. This record shall be kept on site and made available to the District upon request. [District Rule 2530, 6.1]
5. This tank shall be equipped with a pressure-vacuum (PV) relief valve set to within 10% of the maximum allowable working pressure of the tank, permanently labeled with the operating pressure settings, properly maintained in good operating order in accordance with the manufacturer's instructions, and shall remain in gas-tight condition except when the operating pressure exceeds the valve's set pressure. [District Rule 4623]
6. Crude oil throughput shall not exceed 80 barrels per day based on a monthly average. [District Rule 2201]
7. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rules 2201 and 4623]

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-3007-6-2: Nov 10 2010 2:56PM - BAKSHIS : Joint Inspection NOT Required

8. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623]
9. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rule 4623]
10. Permittee shall submit the records of TVP and API gravity testing to the APCO within 45 days after the date of testing. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623]
11. The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287 e1 "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Sampling for API gravity shall be performed in accordance with ASTM Method D 4057 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products." [District Rule 4623]
12. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623]
13. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 2201]
14. The permittee shall keep accurate records of each organic liquid stored in the tank, including its storage temperature, TVP, and API gravity. [District Rule 4623]
15. All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 4623]
16. This Authority to Construct (ATC) shall be implemented prior to or concurrently with ATCs S-3007-19-0 & '20-0 [District Rule 2201]



## AUTHORITY TO CONSTRUCT

PERMIT NO: S-3007-19-0

ISSUANCE DATE: 11/10/2010

LEGAL OWNER OR OPERATOR: BONANZA CREEK ENERGY OPERATING COMPANY  
MAILING ADDRESS: P O BOX 21974  
BAKERSFIELD, CA 93390

LOCATION: HEAVY OIL WESTERN  
MIDWAY SUNSET OIL FIELD S SE23, T11N, R23W

SECTION: SE23 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:  
250 BBL FIXED ROOF CRUDE OIL DRAIN TANK WITH P/V VENT (RIPLEY TATUM LEASE)


### CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. To maintain status as small producer permittee's crude oil production shall average less than 6,000 bbl/day from all operations within Kern County and permittee shall not engage in refining, transporting or marketing of refined petroleum products. [District Rule 1020]
3. The permittee shall not emit more than one half of the major source threshold based on a rolling 12-month summary of actual emissions. [District Rule 2530, 6.1]
4. The permittee shall maintain a record of the rolling 12-month summary of actual emissions from permitted operations. This record shall be kept on site and made available to the District upon request. [District Rule 2530, 6.1]
5. This tank shall be equipped with a pressure-vacuum (PV) relief valve set to within 10% of the maximum allowable working pressure of the tank, permanently labeled with the operating pressure settings, properly maintained in good operating order in accordance with the manufacturer's instructions, and shall remain in gas-tight condition except when the operating pressure exceeds the valve's set pressure. [District Rule 4623]
6. Crude oil throughput shall not exceed 5 barrels per day based on a monthly average. [District Rule 2201]
7. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rules 2201 and 4623]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

  
DAVID WARNER, Director of Permit Services  
S-3007-19-0 : Nov 10 2010 2:55PM - BAK6H16 : Joint Inspection NOT Required

8. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 2201]
9. All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 4623]
10. This Authority to Construct (ATC) shall be implemented subsequently or concurrently with ATC S-3007-6-2. [District Rule 2201]



## AUTHORITY TO CONSTRUCT

PERMIT NO: S-3007-20-0

ISSUANCE DATE: 11/10/2010

LEGAL OWNER OR OPERATOR: BONANZA CREEK ENERGY OPERATING COMPANY

MAILING ADDRESS: P O BOX 21974  
BAKERSFIELD, CA 93390

LOCATION: HEAVY OIL WESTERN  
MIDWAY SUNSET OIL FIELD S. SE23, T11N, R23W

SECTION: SE23 TOWNSHIP: 11N RANGE: 23W

**EQUIPMENT DESCRIPTION:**

300 BBL FIXED ROOF CONSTANT LEVEL CRUDE OIL CLARIFIER TANK WITH P/V VENT (RIPLEY TATUM LEASE)

### CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. To maintain status as small producer permittee's crude oil production shall average less than 6,000 bbl/day from all operations within Kern County and permittee shall not engage in refining, transporting or marketing of refined petroleum products. [District Rule 1020]
3. The permittee shall not emit more than one half of the major source threshold based on a rolling 12-month summary of actual emissions. [District Rule 2530, 6.1]
4. The permittee shall maintain a record of the rolling 12-month summary of actual emissions from permitted operations. This record shall be kept on site and made available to the District upon request. [District Rule 2530, 6.1]
5. This tank shall be equipped with a pressure-vacuum (PV) relief valve set to within 10% of the maximum allowable working pressure of the tank, permanently labeled with the operating pressure settings, properly maintained in good operating order in accordance with the manufacturer's instructions, and shall remain in gas-tight condition except when the operating pressure exceeds the valve's set pressure. [District Rule 4623]
6. Tank shall be designed and operated at a constant level. [District Rule 2201]
7. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rules 2201 and 4623]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

6-3007-20-0: Nov 10 2010 2:56PM - BAKSHIS : Joint Inspection NOT Required



8. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623]
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11. The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287 e1 "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Sampling for API gravity shall be performed in accordance with ASTM Method D 4057 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products." [District Rule 4623]
12. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623]
13. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 2201]
14. The permittee shall keep accurate records of each organic liquid stored in the tank, including its storage temperature, TVP, and API gravity. [District Rule 4623]
15. All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 4623]
16. This Authority to Construct (ATC) shall be implemented subsequently or concurrently with ATC S-3007-6-2. [District Rule 2201]