



AUG 10 2011

Mr. William Fall
Chevron U.S.A Inc.
PO Box 1392
Bakersfield, CA 93302

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-1128
Project # S-111123**

Dear Mr. Fall:

Enclosed for your review is the District's analysis of an application for Authority to Construct for the facility identified above. The applicant is requesting that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. Chevron proposes to increase the period for notifying the District of a flaring event from (1) one hour to (24) twenty-four hours of confirmation of the flaring event.

After addressing any EPA comments made during the 45-day comment period, the Authority to Construct will be issued to the facility with a Certificate of Conformity. Prior to operating with modifications authorized by the Authority to Construct, the facility must submit an application to modify the Title V permit as an administrative amendment, in accordance with District Rule 2520, Section 11.5.

If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

Enclosures

DW: WJ/cm

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



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

AUG 10 2011

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

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-1128
Project # S-111123**

Dear Mr. Rios:

Enclosed for your review is the District's engineering evaluation of an application for Authority to Construct for Chevron U.S.A Inc. located on the McKittrick oilfield within Section 26, T29S, R21, which has been issued a Title V permit. Chevron U.S.A Inc. is requesting that a Certificate of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. Chevron proposes to increase the period for notifying the District of a flaring event from (1) one hour to (24) twenty-four hours of confirmation of the flaring event.

Enclosed is the engineering evaluation of this application with a copy of the current Title V permit and proposed Authority to Construct # ATC S-1128-116-60 with Certificate of Conformity. After demonstrating compliance with the Authority to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

Enclosures

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San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

AUG 10 2011

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

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-1128
Project # S-111123**

Dear Mr. Tollstrup:

Enclosed for your review is the District's analysis of an application for Authority to Construct for the facility identified above. The applicant is requesting that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. Chevron proposes to increase the period for notifying the District of a flaring event from (1) one hour to (24) twenty-four hours of confirmation of the flaring event.

Enclosed is the engineering evaluation of this application with a copy of the current Title V permit and proposed Authority to Construct # ATC S-1128-116-60 with Certificate of Conformity. After demonstrating compliance with the Authority to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 30-day comment period that begins on the date you receive this letter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

Enclosures

DW: WJ/cm

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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**NOTICE OF PRELIMINARY DECISION
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT AND
THE PROPOSED SIGNIFICANT MODIFICATION OF FEDERALLY
MANDATED OPERATING PERMIT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District solicits public comment on the proposed modification of Chevron U.S.A Inc. for its heavy oil facility located on the McKittrick oilfield within Section 26, T29S, R21, California. Chevron proposes to increase the period for notifying the District of a flaring event from (1) one hour to (24) twenty-four hours of confirmation of the flaring event.

The District's analysis of the legal and factual basis for this proposed action, project #S-1111123, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. This will be the public's only opportunity to comment on the specific conditions of the modification. If requested by the public, the District will hold a public hearing regarding issuance of this modification. For additional information, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900. Written comments on the proposed initial permit must be submitted within 30 days of the publication date of this notice to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CALIFORNIA 93308-9725.

San Joaquin Valley Air Pollution Control District Authority to Construct Application Review

Facility Name: Chevron USA Inc. Date: 7/18/11
Mailing Address: PO Box 1392 Engineer: William Jones
Bakersfield, CA 93302 Lead Engineer: Richard Karrs
Contact Person: William Fall
Telephone: 661.654.7150
Fax: 661.654.7006
E-Mail: dbone@chevron.com
Application #(s): S-1128-116-60
Project #: S-1111123
Deemed Complete: 4/26/11

I. Proposal

The primary business of Chevron USA Inc is the production and refining of Heavy Oil. Chevron USA Inc has submitted an Authority to Construct (ATC) application for the following:

- Modify the flare serving TEOR operation well vent VR system #CC-36W #1 (see **Appendix B** for current permit requirements). The facility is proposing to increase the notification period for reporting unplanned flaring events to the district from one hour to twenty-four hours of confirmation of the event as allowed by Rule 4311.

Disposition of Outstanding ATCs

ATC S-1128-116-58 has been implemented, but not converted and will serve as the base document for ATC S-1128-116-60. ATC S-1128-116-58 is included in **Appendix B**.

Chevron USA Inc received their Title V Permit on 4/25/01. This modification can be classified as a Title V significant modification pursuant to Rule 2520, Section 3.20 and 3.29, and can be processed with a Certificate of Conformity (COC). Since the facility has specifically requested that this project be processed in that manner, the 45-day EPA comment period will be satisfied prior to the issuance of the Authority to Construct. Chevron USA Inc must apply to administratively amend their Title V permit.

II. Applicable Rules

Rule 2201	New and Modified Stationary Source Review Rule (4/21/11)
Rule 2520	Federally Mandated Operating Permits (6/21/01)
Rule 2530	Federally Enforceable Potential to Emit (12/18/08)
Rule 4001	New Source Performance Standards (4/14/99)
Rule 4101	Visible Emissions (2/17/05)
Rule 4102	Nuisance (12/17/92)
Rule 4401	Steam-Enhanced Crude Oil Production Well Vents (12/14/06)

Rule 4311 Flares (6/18/09)
Rule 4801 Sulfur Compounds (12/17/92)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA
Guidelines

III. Project Location

The project sit is located on the McKittrick oilfield in section 36, T29S, R21E within the in Chevron's Kern County Heavy Oil Western stationary source.

IV. Process Description

Chevron USA Inc. uses steam injection in their heavy oil production operation to assist with oil extraction by lowering the viscosity of the oil, this process reduces the energy required to pump oil to the surface. The resulting excess oilfield waste gases produced during the thermally enhanced oil recovery process are routed to a flare for incineration.

V. Equipment Listing

Pre-Project Equipment Description:

S-1128-116-58: TEOR OPERATION WELL VENT VR SYSTEM #CC-36W #1 SERVING 146 STEAM ENHANCED WELLS AND 7 AUTOMATIC WELL TEST VESSELS W/ VAPOR PIPING TO SCRUBBED STEAM GENERATORS, DOGGR APPROVED DISPOSAL WELLS(S,) SULFEROX H2S REMOVAL PLANT, 342 MMBTU/HR KALDAIR FLARE (FLARE SHARED W/ '-128, '-130, '-144, '-248, & '-385) 460 MMBTU/HR JOHN ZINK MODEL #EEF-LHLS-24 AIR ASSISTED EMERGENCY FLARE:

Proposed Modification:

S-1128-116-60: MODIFICATION OF TEOR OPERATION WELL VENT VR SYSTEM #CC-36W #1 SERVING 146 STEAM DRIVE WELLS AND 6 AUTOMATIC WELL TEST VESSELS W/ VAPOR PIPING TO SCRUBBED STEAM GENERATORS, DOGGR APPROVED DISPOSAL WELLS(S,) SULFEROX H2S REMOVAL PLANT, 0.34 MMBTU/HR KALDAIR FLARE (FLARE SHARED W/ '-128, '-130, '-144, '-248, & '-383) 460 MMBTU/HR JOHN ZINK MODEL #EEF-LHLS-24 AIR ASSISTED EMERGENCY FLARE: INCREASE THE PERIOD FOR NOTIFYING THE DISTRICT OF A FLARING EVENT FROM ONE HOUR TO UP TO 24 HOURS OF CONFIRMATION OF THE FLARING EVENT

Post Project Equipment Description:

S-1128-116-60: TEOR OPERATION WELL VENT VR SYSTEM #CC-36W #1 SERVING 146 STEAM DRIVE WELLS AND 6 AUTOMATIC WELL TEST VESSELS W/ VAPOR PIPING TO SCRUBBED STEAM GENERATORS, DOGGR

APPROVED DISPOSAL WELLS(S,) SULFEROX H₂S REMOVAL PLANT,
0.34 MMBTU/HR KALDAIR FLARE (FLARE SHARED W/ '-128, '-130, '-144, '-
248, & '-383) 460 MMBTU/HR JOHN ZINK MODEL #EEF-LHLS-24 AIR
ASSISTED EMERGENCY FLARE

VI. Emission Control Technology Evaluation

There are no physical changes, modifications to the operation of this unit, or any change in permitted emissions proposed with this. Therefore there is no need to evaluate the emission controls.

VII. General Calculations

As discussed below, the changes approved in this project are not New Source Review modifications and emissions calculations pursuant to NSR are not required.

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

As noted in Section VII of this engineering evaluation, the proposed modification does not constitute an NSR modification; Pursuant to section 3.26 of District Rule 2201, a modification is defined as:

- 3.26.1.1 Any change in hours of operation, production rate, or method of operation of an existing emissions unit, which would necessitate a change in permit conditions.

The proposed modification does not result in a change in the hour of operation, production rate or method of operation which necessitates a change in permit conditions.

- 3.26.1.2 Any structural change or addition to an existing emissions unit which would necessitate a change in permit conditions. Routine replacement shall not be considered to be a structural change.

The proposed modification does not constitute a structural change or addition to an existing emissions unit which necessitates a change in permit conditions.

- 3.26.1.3 An increase in emissions from an emissions unit caused by a modification of the Stationary Source when the emissions unit is not subject to a daily emissions limitation.

The proposed modification does not result in an increase in emissions from any emissions unit.

- 3.26.1.4 Addition of any new emissions unit which is subject to District permitting requirements.

The proposed modification does not result in the addition of any new emissions units.

3.26.1.5 A change in a permit term or condition proposed by an applicant to obtain an exemption from an applicable requirement to which the source would otherwise be subject.

The proposed modification does not necessitate any change to permit conditions or description.

As discussed above, the modification proposed to unit S-1128-116-44 does not meet any of the criteria for a modification. Therefore, it is not subject to the requirements of District Rule 2201.

Rule 2520 Federally Mandated Operating Permits

This facility is subject to this Rule, and has received their Title V Operating Permit. Section 3.29 defines a significant permit modification as a "permit amendment that does not qualify as a minor permit modification or administrative amendment."

Section 3.20.2 states that a minor permit modifications "Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions". The maximum reporting time requirements for the reporting of unplanned flaring events will be changing from one hour to 24 hours of the discovery of the unplanned event, which is a relaxation in reporting conditions. As a result, the proposed project flaring constitutes a Significant Modification to the Title V Permit pursuant to Section 3.29.

Rule 2530 Federally Enforceable Potential to Emit

The purpose of this rule is to restrict the emissions of a stationary source so that the source may elect to be exempt from the requirements of Rule 2520. Per Section 6.1 of Rule 2530, this facility has elected exemption from the requirements of Rule 2520 by ensuring actual emissions from the stationary source in every 12-month periods to not exceed the following: ½ the major source thresholds for NO_x, VOCs, CO, and PM₁₀; 50 tons per year SO₂; 5 tons per year of a single HAP; 12.5 tons per year of any combination of HAPs; 50 percent of any lesser threshold for a single HAP as the EPA may establish by rule; and 50 percent of the major source threshold for any other regulated air pollutant not listed in 6.1.1 and 6.1.6 of Rule 2530.

Rule 4101 Visible Emissions

The purpose of this rule is to prohibit the discharge of visible air contaminants to the atmosphere. The provisions of this rule shall apply to any source operation which emits or may emit air contaminants. Per Section 5.0, no person shall discharge into the atmosphere emissions of any air contaminant aggregating more than 3 minutes in any hour which is as dark as or darker than Ringelmann 1 (or 20% opacity). As the only emissions from this project are VOCs visible emissions are not expected to exceed Ringelmann 1 or 20% opacity. Based on past inspections of the facility continued compliance is expected.

Rule 4102 Nuisance

The purpose of this rule is to protect the health and safety of the public. This rule shall apply to any source operation which emits or may emit air contaminants or other materials. The requirements set forth by section 4.0 of this rule prohibits discharge of air contaminants which could cause injury, detriment, nuisance or annoyance to the public. Public nuisance conditions are not expected as a result of these operations, provided the equipment is well maintained. Therefore, continued compliance with this rule is expected.

Rule 4401 Steam-Enhanced Crude Oil Production Well Vents

The purpose of this rule is to limit the VOC emissions from steam-enhanced crude oil production wells. This rule is applicable to all steam-enhanced crude oil production wells and any associated vapor collection and control systems. As previously approved in project S-1128, 1080491 this unit is currently in compliance with the requirements of this rule, continued compliance is expected.

Rule 4311 Flares

The purpose of this rule is to limit the discharge of volatile organic compounds (VOC), oxides of nitrogen (NOx), and sulfur oxides (SOx) that result from the operation of flares. This rule is applicable to operations involving the use of flares. The Kaldair flare associated with this project is Coanda effect and the John Zink flare is air-assisted. Both flares are equipped with automatic ignition devices allowing the flare to operate with a lit pilot light at all times. Both flares included in this project are emergency flares and therefore exempt from the requirements of Section 5.6 (NSPS 40 CFR 60.18) or Section 5.7 (Ground-level flares).

Per section 6.2 the facility must report all unplanned flaring events within twenty-four hours of confirmation of the unplanned flaring event. The applicant proposes to increase the current reporting time requirements for unplanned emergency flaring from one hour to twenty-four hours as allowed by section 6.2.2. The following condition will be included to insure compliance:

- The owner or operator shall notify the District of any emergency use of the flare within twenty four hours after confirmation that an actual flaring event has occurred. In the event that confirmation of an actual flaring event cannot be made, then the owner or operator shall notify the District no more than 24 hours after an alarm indicates that a flaring event may have occurred. [District Rule 1070, and 4311] Y

Based on previous inspections, this permit unit has previously been found to be in compliance with this rule, continued compliance is expected.

Rule 4801 Sulfur Compounds

The purpose of this rule is to limit the emissions of sulfur compounds. The provisions of this rule shall apply to any discharge to the atmosphere of sulfur compounds, which would exist as a liquid or a gas at standard conditions.

Requirements of this rule prevent the discharge into the atmosphere of sulfur compounds, which would exist as a liquid or gas at standard conditions, exceeding in concentration at the point of discharge: two-tenths (0.2) percent by volume calculated as sulfur dioxide (SO₂), on a dry basis averaged over 15 consecutive minutes. This permit unit, was previously found to be in compliance with this rule, continued compliance is expected..

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 – Risk Management Policy for Permitting New and Modified Sources specifies that for an increase in emissions associated with a proposed new source or modification, the District perform an analysis to determine the possible impact to the nearest resident or worksite.

As demonstrated above, there are no increases in emissions associated with this project, therefore a health risk assessment is not necessary and no further risk analysis is required.

California Health & Safety Code 42301.6 (School Notice)

The District has verified that this site is not located within 1,000 feet of a school. Therefore, pursuant to California Health and Safety Code 42301.6, a school notice is not required.

California Environmental Quality Act (CEQA)

The California Environmental Quality Act (CEQA) requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The San Joaquin Valley Unified Air Pollution Control District (District) adopted its *Environmental Review Guidelines* (ERG) in 2001. The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities;
- Identify the ways that environmental damage can be avoided or significantly reduced;
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible; and
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

Greenhouse Gas (GHG) Significance Determination

It is determined that no other agency has or will prepare an environmental review document for the project. Thus the District is the Lead Agency for this project.

The District's engineering evaluation (this document) demonstrates that the project would not result in an increase in project specific greenhouse gas emissions. The District therefore concludes that the project would have a less than cumulatively significant impact on global climate change.

District CEQA Findings

The District is the Lead Agency for this project because there is no other agency with broader statutory authority over this project. The District performed an Engineering Evaluation (this document) for the proposed project and determined that the activity will occur at an existing facility and the project involves negligible expansion of the existing use. Furthermore, the District determined that the activity will not have a significant effect on the environment. The District finds that the activity is categorically exempt from the provisions of CEQA pursuant to CEQA Guideline § 15031 (Existing Facilities), and finds that the project is exempt per the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (CEQA Guidelines §15061(b)(3)).

IX. Recommendation

Compliance with all applicable rules and regulations is expected. Pending a successful NSR Public Noticing period, issue Authority to Construct S-1128-116-60 subject to the permit conditions on the attached draft Authority to Construct in **Appendix A**.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-1128-116-60	3020-09-A	146 wells	\$1,261.44

Appendices

- A: Draft ATC
- B: ATC S-1128-116-58
- C: Compliance Certification

APPENDIX A
Draft ATC

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1128-116-60

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: P O BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY

SECTION: 36 TOWNSHIP: 29S RANGE: 21E

EQUIPMENT DESCRIPTION:

MODIFICATION OF TEOR OPERATION WELL VENT VR SYSTEM #CC-36W #1 SERVING 146 STEAM DRIVE WELLS AND 6 AUTOMATIC WELL TEST VESSELS W/ VAPOR PIPING TO SCRUBBED STEAM GENERATORS, DOGGR APPROVED DISPOSAL WELLS(S,) SULFEROX H2S REMOVAL PLANT, 0.34 MMBTU/HR KALDAIR FLARE (FLARE SHARED W/ '-128, '-130, '-144, '-248, & '-383) 460 MMBTU/HR JOHN ZINK MODEL #EEF-LHLS-24 AIR ASSISTED EMERGENCY FLARE: INCREASE THE TIME ALLOWED FOR NOTIFICATION OF A FLARING EVENT FROM ONE (1) TO TWENTY-FOUR (24) HOURS.

CONDITIONS

1. ATC S-1128-116-58 shall be implemented prior to, or concurrently with this ATC. [District Rule 2201]
2. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District NSR Rule] Federally Enforceable Through Title V Permit
3. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
4. No modification to the 1Y Kaldair emergency flare shall be performed without an Authority to Construct for such modifications, except for changes specified in the conditions below. [District Rule 2010] Federally Enforceable Through Title V Permit
5. Upon seven days prior written notice to the District, the 1Y Kaldair emergency flare may be designated as a dormant emissions unit or an active emissions unit. [District Rule 4311] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director APCO

DRAFT

DAVID WARNER, Director of Permit Services
S-1128-116-60 : Aug 1 2011 8:00AM - JONESW : Joint Inspection NOT Required

6. When the 1Y Kaldair emergency flare is designated as a dormant emissions unit, the fuel line shall be physically disconnected from the unit. [District Rule 2080] Federally Enforceable Through Title V Permit
7. When the 1Y Kaldair emergency flare is designated as a dormant emissions unit, the permittee shall not be required to perform the monitoring and recordkeeping requirements otherwise required by this permit and Rule 4311. [District Rule 4311] Federally Enforceable Through Title V Permit
8. Upon recommencing operation of the 1Y Kaldair emergency flare, recordkeeping and monitoring requirements otherwise required by this permit and Rule 4311 shall resume. [District Rule 4311] Federally Enforceable Through Title V Permit
9. Records of all dates and times that this unit is designated as dormant or active shall be maintained for a period of at least five years and made available for District inspection upon request. [District Rule 1070]
10. If the 1Y Kaldair emergency flare has become dormant because it does not comply with District Rules, or if the unit becomes out of compliance with District Rules while it is dormant, operation of the unit is not authorized until an Authority to Construct permit is issued approving all necessary retrofits and permit changes required to comply with the respective District Rules. [District Rule 2010] Federally Enforceable Through Title V Permit
11. The Kaldair flare shall not discharge air contaminants into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is dark or darker than Ringelmann 1 or equivalent to 20% opacity. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The air-assisted John Zink flare shall not discharge air contaminants into the atmosphere which exceeds 5% opacity or Ringelmann 1/4 for a period or periods aggregating more than three minutes in any one hour. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Operation of flares for other than maintenance and testing shall be limited to unforeseen electrical power outages or emergencies (as defined below) that results in the inability to dispose of the vapors in devices approved for that purpose. Emergency is defined as an unforeseeable failure or malfunction of operating equipment that 1) is not due to neglect or disregard of air pollution laws or rules; 2) is not intentional or the result of negligence; 3) is not due to improper maintenance; 4) does not constitute a nuisance; and 5) results in the use of equipment exempted from offsets by Rule 2201 to prevent or ameliorate an unsafe situation. [District Rule 2201] Federally Enforceable Through Title V Permit
14. The owner or operator shall notify the District of any emergency use of the flare within twenty four hours after confirmation that an actual flaring event has occurred. In the event that confirmation of an actual flaring event cannot be made, then the owner or operator shall notify the District no more than 24 hours after an alarm indicates that a flaring event may have occurred. [District Rule 1070 and 4311] Federally Enforceable Through Title V Permit
15. The permittee shall report to the District in writing within ten days following the emergency use of the flare(s). The report shall include 1) a statement that the failure or malfunction has been corrected, the date corrected, and proof of correction; 2) a specific statement of the reason or cause for the occurrence; 3) a description of the corrective measures undertaken and/or to be undertaken to avoid such an occurrence in the future; and 4) an estimate of the emissions caused by the emergency use, specifically including duration of flare operation and amount of gas burned. [District Rules 1070 and 4311] Federally Enforceable Through Title V Permit
16. Operation of each flare shall not exceed 200 hours per year for purposes of flare maintenance and testing. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Kaldair flare, for purposes of flare maintenance and testing, emissions rates shall not exceed any of the following: 0.068 lb NOx/MMBtu (2442 lb NOx/year), 322,538 lb SOx/year, 0.708 lb PM10/MMBtu (24,190 lb PM10/year), 0.063 lb VOC/MMBtu (2263 lb VOC/year) and 0.37 lb CO/MMBtu (13,290 lb CO/year). [District Rule 2201] Federally Enforceable Through Title V Permit
18. John Zink flare, for purposes of flare maintenance and testing, emissions rates shall not exceed any of the following: 0.068 lb NOx/MMBtu (672 lb NOx/year), 20,000 lb SOx/year, 0.708 lb PM10/MMBtu (3894 lb PM10/year), 0.063 lb VOC/MMBtu (622 lb VOC/year) and 0.37 lb CO/MMBtu (3656 lb CO/year). [District Rule 2201] Federally Enforceable Through Title V Permit
19. Sulfur compound combustion emissions shall not exceed 2000 ppmv as SO2. [District Rule 4801; Kern County Rule 407] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. A flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311, 5.2] Federally Enforceable Through Title V Permit
21. Flare outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311, 5.3] Federally Enforceable Through Title V Permit
22. Each emergency flare shall be equipped with a functional continuous flame detection device to detect at least one pilot flame or to detect the presence of flare flame. [District Rule 4311, 5.4] Federally Enforceable Through Title V Permit
23. Fugitive VOC emission rate from fugitive component counts of the TEOR vapor control system, calculated using U.S. EPA publication 453/R-95-017, Table 2-4, based on 50% VOC by weight of Total Organic Content (TOC), shall not exceed 268.3 lb/day. [District Rule 2210] Federally Enforceable Through Title V Permit
24. Fugitive VOC limit listed above does not include components handling produced fluids with an API gravity less than 30 degrees, or components in water/oil service (condensate) with a water content equal to or greater than 50% by weight, or components handling fluid streams with a VOC content of 10% or less by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
25. The source shall perform annual leak inspections on at least 20% of the components in the well vent vapor control system using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. [District Rules 2520, 9.4.2 and 4401, 6.3.3] Federally Enforceable Through Title V Permit
26. Permittee shall maintain an accurate fugitive component count and resultant emissions calculated using emission factors from EPA Publication 453/R-95-017 Protocol for Equipment Leak Emission Estimates Table 2-4 Oil and Gas Production Operations Average Emission Factors (kg/hr/source). [District Rule 2201] Federally Enforceable Through Title V Permit
27. Operator shall conduct quarterly gas sampling from Sample Point No. 1 (inlet) to SulFerox plant and Sample Point No. 2 (discharge) from SulFerox plant to qualify for exemption from fugitive component counts for components handling fluids with less than 10% VOC by weight. If gas samples are less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. Such sampling is deemed representative of all components downstream of vessel FV1. Sample Point No. 1 (inlet) is downstream of vessel FV1 and upstream of the SulFerox plant and representative of gas downstream that has not been processed through the SulFerox plant. Sample Point No. 2 (discharge) represents gas that has been processed through the SulFerox plant. [District Rule 2201] Federally Enforceable Through Title V Permit
28. If operator determines that the flow back system does not operate successfully, then the flow back system may be idled and/or removed. [District Rule 2201] Federally Enforceable Through Title V Permit
29. Existing Tulare injection wells are authorized to operate as either flow back wells or injection wells until such a time as the DOGGR injection permit for the existing Tulare injection wells is terminated. Upon termination of the Tulare injection well permit by DOGGR, the existing Tulare injection wells will continue to operate as flow back wells only or be idled and/or removed. [District Rule 2201] Federally Enforceable Through Title V Permit
30. {1294} The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
31. {1296} All required source testing shall conform to the compliance testing procedures described in District Rule 1081(as 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
32. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401, 5.0 (as amended December 14, 2006). [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit
33. {1298} The uncontrolled VOC emissions from any well vent shall be reduced by at least 99 percent by weight or, if several steam-enhanced crude oil production well vents are connected to a vapor collection and control system, total uncontrolled VOC emissions shall be reduced by at least 99 percent. This requirement does not apply to cyclic wells located on contiguous and adjacent oil production properties with less than 10 cyclic wells owned by or under the control of a company. [District Rule 4401, 5.1 and 5.2] Federally Enforceable Through Title V Permit

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34. Total number of leaks from the well vent vapor control system, including condensate handling, shall not exceed the number of allowable leaks allowed by Rule 4401 at any one time. [District Rule 4401, 5.3] Federally Enforceable Through Title V Permit
35. {1301} Units consisting of more than 500 wells shall not exceed one leak detected for each 20 wells tested with a minimum of 50 wells tested. [District Rule 4401, 5.3] Federally Enforceable Through Title V Permit
36. {1302} Operator shall affix a readily visible tag bearing the date on which a leak is detected. The tag shall remain in place until the leaking component is repaired. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
37. {1662} Operator shall repair each leak within 15 calendar days of detection. The APCO may grant a 10 calendar day extension if the operator demonstrates that the necessary and sufficient actions have and are being taken to correct the leak. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
38. {1304} Operator shall maintain all components of a well vent vapor collection and control system in good repair. Components of the well vent vapor collection and control system shall include all piping, valves, fittings, pumps, compressors, tanks, etc. used to collect, control, store, or dispose of VOC condensate or non-condensable VOCs and which is prior to any blending of VOC condensate with crude oil or blending of non-condensable VOCs with gases to be used as a fuel. [District Rule 4401, 5.3 and 5.3.2] Federally Enforceable Through Title V Permit
39. All records of required monitoring data and support information shall be maintained, retained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rules 2520, 9.4.2 and 4401, 6.1] Federally Enforceable Through Title V Permit
40. {1659} The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1.1] Federally Enforceable Through Title V Permit
41. {1663} Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by source testers certified by the California Air Resources Board (CARB) during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the annual testing requirements of this condition if the vapor control system does not exhaust to atmosphere or if all uncondensed VOC emissions collected by a vapor collection and control system are incinerated in fuel burning equipment, an internal combustion engine or in a smokeless open flare, and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 4401, 5.1, 5.2 and 6.2.1] Federally Enforceable Through Title V Permit
42. Well casing vents or downstream valves may be closed if wells are producing to tanks equipped with an operating vapor control system or if the wells are idle [District Rule 4401] Federally Enforceable Through Title V Permit
43. The control efficiency of the vapor collection and control system used to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on most stringent of a source test, USEPA approved emission factors, or Air Pollution (AP)-42 emission factors for components and number of components; and the efficiency of destruction devices determined by USEPA Method 18, 25, 25a, or 25b as applicable. [District Rule 4401, 6.3.1] Federally Enforceable Through Title V Permit
44. Leak inspection and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401, 6.3.3] Federally Enforceable Through Title V Permit
45. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401, 6.3.5] Federally Enforceable Through Title V Permit

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46. Unless waived by the District, the operator shall maintain source test records which show that the control efficiency requirements have been satisfied. [District Rule 4401, 6.1.3] Federally Enforceable Through Title V Permit
47. {1668} Compliance with permit conditions in the Title V permit shall be deemed in compliance with SJVUAPCD Rule 4401 (Amended January 15, 1998), excluding sections 5.1 and 5.2 for control systems which have been waived from complying with the requirement of section 6.2.1. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
48. {1311} The requirements of SJVUAPCD Rule 4407 (Adopted May 19, 1994) do not apply to this permit unit. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
49. The operation includes heat exchanger(s), gas/liquid separator(s), condensate tank(s), compressor(s), gas volume flow rate and temperature indicator, and gas piping to SulFerox plant. [District NSR Rule] Federally Enforceable Through Title V Permit
50. The system includes gas piping from vapor control systems 36W #1 TEOR S-1128-116, 31X TEOR S-1128-128, 36W #2 TEOR S-1128-130, 5Z/6Z TEOR S-1128-144, 31X tank battery S-1128-248, Mckittrick Diatomite TEOR S-1129-864, and 1Y TEOR S-1128-385, TEOR flow back vapor collection from Tulare formation wells (previously used for disposal), and sweetened gas from SulFerox plant. [District NSR Rule] Federally Enforceable Through Title V Permit
51. John Zink flare field sour gas line shall be equipped with an operational flow meter. John Zink flare pilot gas line shall be equipped with an operational flow meter and pilot gas flow rate shall not exceed 12000 scf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
52. Kaldair flare pilot gas line shall be equipped with an operational flow meter, except when designated a DEU, and pilot gas flow rate shall not exceed 4800 scf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
53. Only PUC quality natural gas shall be used as pilot gas in the flare. [District NSR Rule] Federally Enforceable Through Title V Permit
54. When operated, each flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
55. SulFerox plant includes sparge tower, gas/liquid separator(s), chemical regenerator vessel(s), chemical tank(s), sulfur press, sulfur bin(s), sweet gas outlet separator(s), particulate filter(s), and sweet gas piping to field gas system and DOGGR approved disposal wells. [District Rule 2201] Federally Enforceable Through Title V Permit
56. SulFerox offgas H₂S content shall not exceed 12 ppmv. [District Rule 2201] Federally Enforceable Through Title V Permit
57. Permittee shall measure the H₂S content of the SulFerox plant's inlet gas stream at least once per day using a gas detection tube. [District Rule 2201] Federally Enforceable Through Title V Permit
58. Permittee shall measure the H₂S content of the SulFerox plant's outlet gas stream at least once every 6 hours using a gas detection tube or operational H₂S analyzer/monitor. Permittee shall maintain records of the outlet gas stream H₂S content (ppmv). [District Rule 2201] Federally Enforceable Through Title V Permit
59. If the H₂S content of the SulFerox plant's outlet gas stream is measured at 6 ppmv or higher using gas detection tubes, the permittee shall measure the H₂S content once every 2 hours using gas detection tubes until the measured content drops below 6 ppmv, whereafter the measuring frequency will revert to every 6 hours. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
60. Gas detection tubes used to measure outlet and inlet H₂S content shall have calibrated ranges between 1.5 and 30 ppmv for the outlet and 1,000 and 20,000 ppmv for the inlet when H₂S concentration is below 20,000 ppmv and 2,000 and 40,000 ppmv for the inlet when H₂S concentration equals or is above 20,000 ppmv. [District Rule 2201] Federally Enforceable Through Title V Permit
61. Permittee shall measure and maintain a daily record of flare pilot gas volumes, John Zink flare field sour gas volume, and shall maintain an annual record of the number of hours of operation of each flare. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

62. With prior District approval, record keeping frequency of treated gas H₂S content may be reduced upon demonstration of consistency of SulFerox process. [District Rule 2201] Federally Enforceable Through Title V Permit
63. Permittee shall maintain with the permit a current listing of all steam enhanced wells connected to the casing vent control system and a copy of DOGGR approval of disposal well(s), and shall make such listings readily available for District inspection upon request. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
64. All records of required monitoring data and support information required by this permit shall be retained for a period of at least five years and shall be made available for District inspection upon request. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

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APPENDIX B
ATC S-1128-116-58



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1128-116-58

ISSUANCE DATE: 03/04/2011

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: P O BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY

SECTION: 36 TOWNSHIP: 29S RANGE: 21E

EQUIPMENT DESCRIPTION:

MODIFICATION OF TEOR OPERATION WELL VENT VR SYSTEM #CC-36W #1 SERVING 146 STEAM ENHANCED WELLS AND 7 AUTOMATIC WELL TEST VESSELS W/ VAPOR PIPING TO SCRUBBED STEAM GENERATORS, DOGGR APPROVED DISPOSAL WELLS(S) SULFEROX H2S REMOVAL PLANT, 342 MMBTU/HR KALDAIR FLARE (FLARE SHARED W/ '-128, '-130, '-144, '-248, & '-385) 460 MMBTU/HR JOHN ZINK MODEL #EEF-LHLS-24 AIR ASSISTED EMERGENCY FLARE: DESIGNATE 1Y KALDAIR FLARE AS A COMPLIANT DORMANT EMISSIONS UNIT FOR RULE 4311

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. No modification to the 1Y Kaldair emergency flare shall be performed without an Authority to Construct for such modifications, except for changes specified in the conditions below. [District Rule 2010] Federally Enforceable Through Title V Permit
3. Upon seven days prior written notice to the District, the 1Y Kaldair emergency flare may be designated as a dormant emissions unit or an active emissions unit. [District Rule 4311] Federally Enforceable Through Title V Permit
4. When the 1Y Kaldair emergency flare is designated as a dormant emissions unit, the fuel line shall be physically disconnected from the unit. [District Rule 2080] Federally Enforceable Through Title V Permit
5. When the 1Y Kaldair emergency flare is designated as a dormant emissions unit, the permittee shall not be required to perform the monitoring and recordkeeping requirements otherwise required by this permit and Rule 4311. [District Rule 4311] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO


DAVID WARNER, Director of Permit Services

S-1128-116-58 - Mar 4 2011 12:41AM - TORID - Joint Inspection NOT Required

6. Upon recommencing operation of the 1 Y Kaldair emergency flare, recordkeeping and monitoring requirements otherwise required by this permit and Rule 4311 shall resume. [District Rule 4311] Federally Enforceable Through Title V Permit
7. Records of all dates and times that this unit is designated as dormant or active shall be maintained for a period of at least five years and made available for District inspection upon request. [District Rule 1070]
8. If the Kaldair flare has become dormant because it does not comply with District Rules, or if the unit becomes out of compliance with District Rules while it is dormant, operation of the unit is not authorized until an Authority to Construct permit is issued approving all necessary retrofits and permit changes required to comply with the respective District Rules. [District Rule 2010] Federally Enforceable Through Title V Permit
9. The Kaldair flare shall not discharge air contaminants into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is dark or darker than Ringelmann 1 or equivalent to 20% opacity. [District Rule 2201] Federally Enforceable Through Title V Permit
10. The air-assisted John Zink flare shall not discharge air contaminants into the atmosphere which exceeds 5% opacity or Ringelmann 1/4 for a period or periods aggregating more than three minutes in any one hour. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Operation of flares for other than maintenance and testing shall be limited to unforeseen electrical power outages or emergencies (as defined below) that results in the inability to dispose of the vapors in devices approved for that purpose. Emergency is defined as an unforeseeable failure or malfunction of operating equipment that 1) is not due to neglect or disregard of air pollution laws or rules; 2) is not intentional or the result of negligence; 3) is not due to improper maintenance; 4) does not constitute a nuisance; and 5) results in the use of equipment exempted from offsets by Rule 2201 to prevent or ameliorate an unsafe situation. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The owner or operator shall notify the District of any emergency use of the flare within one hour after confirmation that an actual flaring event has occurred, unless the owner or operator demonstrates to the District's satisfaction that a longer notification period was necessary. However, in the event that confirmation of an actual flaring event cannot be made, then the owner or operator shall notify the District no more than 3 hours after an alarm indicates that a flaring event may have occurred, unless the owner or operator demonstrates to the District's satisfaction that a longer notification period was necessary. [District Rule 1070] Federally Enforceable Through Title V Permit
13. The permittee shall report to the District in writing within ten days following the emergency use of the flare(s). The report shall include 1) a statement that the failure or malfunction has been corrected, the date corrected, and proof of correction; 2) a specific statement of the reason or cause for the occurrence; 3) a description of the corrective measures undertaken and/or to be undertaken to avoid such an occurrence in the future; and 4) an estimate of the emissions caused by the emergency use, specifically including duration of flare operation and amount of gas burned. [District Rules 1070 and 4311] Federally Enforceable Through Title V Permit
14. Operation of each flare shall not exceed 200 hours per year for purposes of flare maintenance and testing. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Kaldair flare, for purposes of flare maintenance and testing, emissions rates shall not exceed any of the following: 0.068 lb NOx/MMBtu (2442 lb NOx/year), 322,538 lb SOx/year, 0.708 lb PM10/MMBtu (24,190 lb PM10/year), 0.063 lb VOC/MMBtu (2263 lb VOC/year) and 0.37 lb CO/MMBtu (13,290 lb CO/year). [District Rule 2201] Federally Enforceable Through Title V Permit
16. John Zink flare, for purposes of flare maintenance and testing, emissions rates shall not exceed any of the following: 0.068 lb NOx/MMBtu (672 lb NOx/year), 20,000 lb SOx/year, 0.708 lb PM10/MMBtu (3894 lb PM10/year), 0.063 lb VOC/MMBtu (622 lb VOC/year) and 0.37 lb CO/MMBtu (3656 lb CO/year). [District Rule 2201] Federally Enforceable Through Title V Permit
17. Sulfur compound combustion emissions shall not exceed 2000 ppmv as SO2. [District Rule 4801; Kern County Rule 407] Federally Enforceable Through Title V Permit
18. A flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311, 5.2] Federally Enforceable Through Title V Permit

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19. Flare outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311, 5.3] Federally Enforceable Through Title V Permit
20. Each emergency flare shall be equipped with a functional continuous flame detection device to detect at least one pilot flame or to detect the presence of flare flame. [District Rule 4311, 5.4] Federally Enforceable Through Title V Permit
21. Fugitive VOC emission rate from fugitive component counts of the TEOR vapor control system, calculated using U.S. EPA publication 453/R-95-017, Table 2-4, based on 50% VOC by weight of Total Organic Content (TOC), shall not exceed 268.3 lb/day. [District Rule 2210] Federally Enforceable Through Title V Permit
22. Fugitive VOC limit listed above does not include components handling produced fluids with an API gravity less than 30 degrees, or components in water/oil service (condensate) with a water content equal to or greater than 50% by weight, or components handling fluid streams with a VOC content of 10% or less by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
23. The source shall perform annual leak inspections on at least 20% of the components in the well vent vapor control system using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. [District Rules 2520, 9.4.2 and 4401, 6.3.3] Federally Enforceable Through Title V Permit
24. Permittee shall maintain an accurate fugitive component count and resultant emissions calculated using emission factors from EPA Publication 453/R-95-017 Protocol for Equipment Leak Emission Estimates Table 2-4 Oil and Gas Production Operations Average Emission Factors (kg/hr/source). [District Rule 2201] Federally Enforceable Through Title V Permit
25. Operator shall conduct quarterly gas sampling from Sample Point No. 1 (inlet) to SulFerox plant and Sample Point No. 2 (discharge) from SulFerox plant to qualify for exemption from fugitive component counts for components handling fluids with less than 10% VOC by weight. If gas samples are less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. Such sampling is deemed representative of all components downstream of vessel FV1. Sample Point No. 1 (inlet) is downstream of vessel FV1 and upstream of the SulFerox plant and representative of gas downstream that has not been processed through the SulFerox plant. Sample Point No. 2 (discharge) represents gas that has been processed through the SulFerox plant. [District Rule 2201] Federally Enforceable Through Title V Permit
26. If operator determines that the flow back system does not operate successfully, then the flow back system may be idled and/or removed. [District Rule 2201] Federally Enforceable Through Title V Permit
27. Existing Tulare injection wells are authorized to operate as either flow back wells or injection wells until such a time as the DOGGR injection permit for the existing Tulare injection wells is terminated. Upon termination of the Tulare injection well permit by DOGGR, the existing Tulare injection wells will continue to operate as flow back wells only or be idled and/or removed. [District Rule 2201] Federally Enforceable Through Title V Permit
28. The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
29. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (as 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
30. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401, 5.0 (as amended December 14, 2006). [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit
31. The uncontrolled VOC emissions from any well vent shall be reduced by at least 99 percent by weight or, if several steam-enhanced crude oil production well vents are connected to a vapor collection and control system, total uncontrolled VOC emissions shall be reduced by at least 99 percent. This requirement does not apply to cyclic wells located on contiguous and adjacent oil production properties with less than 10 cyclic wells owned by or under the control of a company. [District Rule 4401, 5.1 and 5.2] Federally Enforceable Through Title V Permit
32. Total number of leaks from the well vent vapor control system, including condensate handling, shall not exceed the number of allowable leaks allowed by Rule 4401 at any one time. [District Rule 4401, 5.3] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

33. Units consisting of more than 500 wells shall not exceed one leak detected for each 20 wells tested with a minimum of 50 wells tested. [District Rule 4401, 5.3] Federally Enforceable Through Title V Permit
34. Operator shall affix a readily visible tag bearing the date on which a leak is detected. The tag shall remain in place until the leaking component is repaired. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
35. Operator shall repair each leak within 15 calendar days of detection. The APCO may grant a 10 calendar day extension if the operator demonstrates that the necessary and sufficient actions have and are being taken to correct the leak. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
36. Operator shall maintain all components of a well vent vapor collection and control system in good repair. Components of the well vent vapor collection and control system shall include all piping, valves, fittings, pumps, compressors, tanks, etc. used to collect, control, store, or dispose of VOC condensate or non-condensable VOCs and which is prior to any blending of VOC condensate with crude oil or blending of non-condensable VOCs with gases to be used as a fuel. [District Rule 4401, 5.3 and 5.3.2] Federally Enforceable Through Title V Permit
37. All records of required monitoring data and support information shall be maintained, retained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rules 2520, 9.4.2 and 4401, 6.1] Federally Enforceable Through Title V Permit
38. The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1.1] Federally Enforceable Through Title V Permit
39. Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by source testers certified by the California Air Resources Board (CARB) during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the annual testing requirements of this condition if the vapor control system does not exhaust to atmosphere or if all uncondensed VOC emissions collected by a vapor collection and control system are incinerated in fuel burning equipment, an internal combustion engine or in a smokeless open flare, and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 4401, 5.1, 5.2 and 6.2.1] Federally Enforceable Through Title V Permit
40. Well casing vents or downstream valves may be closed if wells are producing to tanks equipped with an operating vapor control system or if the wells are idle [District Rule 4401] Federally Enforceable Through Title V Permit
41. The control efficiency of the vapor collection and control system used to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on most stringent of a source test, USEPA approved emission factors, or Air Pollution (AP)-42 emission factors for components and number of components; and the efficiency of destruction devices determined by USEPA Method 18, 25, 25a, or 25b as applicable. [District Rule 4401, 6.3.1] Federally Enforceable Through Title V Permit
42. Leak inspection and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401, 6.3.3] Federally Enforceable Through Title V Permit
43. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401, 6.3.5] Federally Enforceable Through Title V Permit
44. Unless waived by the District, the operator shall maintain source test records which show that the control efficiency requirements have been satisfied. [District Rule 4401, 6.1.3] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

45. Compliance with permit conditions in the Title V permit shall be deemed in compliance with SJVUAPCD Rule 4401 (Amended January 15, 1998), excluding sections 5.1 and 5.2 for control systems which have been waived from complying with the requirement of section 6.2.1. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
46. The requirements of SJVUAPCD Rule 4407 (Adopted May 19, 1994) do not apply to this permit unit. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
47. The operation includes heat exchanger(s), gas/liquid separator(s), condensate tank(s), compressor(s), gas volume flow rate and temperature indicator, and gas piping to SulFerox plant. [District NSR Rule] Federally Enforceable Through Title V Permit
48. The system includes gas piping from vapor control systems 36W #1 TEOR S-1128-116, 31X TEOR S-1128-128, 36W #2 TEOR S-1128-130, SZ/6Z TEOR S-1128-144, 31X tank battery S-1128-248, Mckittrick Diatomite TEOR S-1129-864, and 1Y TEOR S-1128-385, TEOR flow back vapor collection from Tulare formation wells (previously used for disposal), and sweetened gas from SulFerox plant. [District NSR Rule] Federally Enforceable Through Title V Permit
49. John Zink flare field sour gas line shall be equipped with an operational flow meter. John Zink flare pilot gas line shall be equipped with an operational flow meter and pilot gas flow rate shall not exceed 12000 scf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
50. Kaldair flare pilot gas line shall be equipped with an operational flow meter, except when designated a DEU, and pilot gas flow rate shall not exceed 4800 scf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
51. Only PUC quality natural gas shall be used as pilot gas in the flare. [District NSR Rule] Federally Enforceable Through Title V Permit
52. When operated, each flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
53. SulFerox plant includes sparge tower, gas/liquid separator(s), chemical regenerator vessel(s), chemical tank(s), sulfur press, sulfur bin(s), sweet gas outlet separator(s), particulate filter(s), and sweet gas piping to field gas system and DOGGR approved disposal wells. [District Rule 2201] Federally Enforceable Through Title V Permit
54. SulFerox offgas H₂S content shall not exceed 12 ppmv. [District Rule 2201] Federally Enforceable Through Title V Permit
55. Permittee shall measure the H₂S content of the SulFerox plant's inlet gas stream at least once per day using a gas detection tube. [District Rule 2201] Federally Enforceable Through Title V Permit
56. Permittee shall measure the H₂S content of the SulFerox plant's outlet gas stream at least once every 6 hours using a gas detection tube or operational H₂S analyzer/monitor. Permittee shall maintain records of the outlet gas stream H₂S content (ppmv). [District Rule 2201] Federally Enforceable Through Title V Permit
57. If the H₂S content of the SulFerox plant's outlet gas stream is measured at 6 ppmv or higher using gas detection tubes, the permittee shall measure the H₂S content once every 2 hours using gas detection tubes until the measured content drops below 6 ppmv, whereafter the measuring frequency will revert to every 6 hours. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
58. Gas detection tubes used to measure outlet and inlet H₂S content shall have calibrated ranges between 1.5 and 30 ppmv for the outlet and 1,000 and 20,000 ppmv for the inlet when H₂S concentration is below 20,000 ppmv and 2,000 and 40,000 ppmv for the inlet when H₂S concentration equals or is above 20,000 ppmv. [District Rule 2201] Federally Enforceable Through Title V Permit
59. Permittee shall measure and maintain a daily record of flare pilot gas volumes, John Zink flare field sour gas volume, and shall maintain an annual record of the number of hours of operation of each flare. [District Rule 2201] Federally Enforceable Through Title V Permit
60. With prior District approval, record keeping frequency of treated gas H₂S content may be reduced upon demonstration of consistency of SulFerox process. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

61. Permittee shall maintain with the permit a current listing of all steam enhanced wells connected to the casing vent control system and a copy of DOGGR approval of disposal well(s), and shall make such listings readily available for District inspection upon request. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
62. All records of required monitoring data and support information required by this permit shall be retained for a period of at least five years and shall be made available for District inspection upon request. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

APPENDIX C
Compliance Certification

**San Joaquin Valley
Unified Air Pollution Control District**

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE
 MINOR PERMIT MODIFICATION AMENDMENT

COMPANY NAME: Chevron U.S.A. Inc. (CUSA)	FACILITY ID: S-1128
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Chevron U.S.A. Inc. (CUSA)	
3. Agent to the Owner: N/A	

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:

William Fall
 Signature of Responsible Official

April 14, 2011
 Date

William Fall
 Name of Responsible Official (please print)

ATC App S-1128-116 - 24 Hr Notification

SJVBU HES Manager
 Title of Responsible Official (please print)