



AUG 25 2011

Steven Gregory
Pacific Energy Resources, Inc.
2630 Fountain View Drive, Ste 128
Houston, Texas 77057

RE: Notice of Final Action - Authority to Construct
Project Number: S-1110558

Dear Mr. Gregory:

The Air Pollution Control Officer has issued Authority to Construct permits to Pacific Energy Resources, Inc. for the installation of a new natural gas-fired 85.0 MMBtu/hr steam generator, at the Chico-Martinez Lease, Section 35, Township 28S, Range 20E in western Kern County.

Enclosed are copies of the Authority to Construct permits and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue this Authority to Construct was published on 6/22/11. The District's analysis of the proposal was also sent to CARB on 6/17/11. 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: DBT/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



AUG 25 2011

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-1110558

Dear Mr. Tollstrup:

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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 an Authority to Construct permit to Pacific Energy Resources, Inc. for the installation of a new natural gas-fired 85.0 MMBtu/hr steam generator, at the Chico-Martinez Lease, Section 35, Township 28S, Range 20E in western Kern County.

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

The application review for Project #S-1110558 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the **SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**



AUTHORITY TO CONSTRUCT

PERMIT NO: S-3187-19-0

ISSUANCE DATE: 07/26/2011

LEGAL OWNER OR OPERATOR: PACIFIC ENERGY RESOURCES, INC.
MAILING ADDRESS: 2630 FOUNTAIN VIEW DR., SUITE 120
HOUSTON, TX 77057

LOCATION: HEAVY OIL WESTERN
CA

SECTION: 35 **TOWNSHIP:** 28S **RANGE:** 20E

EQUIPMENT DESCRIPTION:

85.0 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH NORTH AMERICAN GLE 4231 ULTRA-LOW NOX BURNER (OR EQUIVALENT) AND A FLUE GAS RECIRCULATION (FGR) SYSTEM (CHICO-MARTINEZ LEASE)

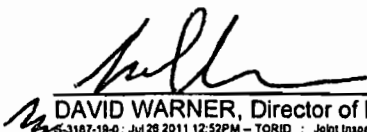
CONDITIONS

1. This unit shall be equipped with horizontal convection section with at least 235 square feet of bare tube surface area (or thermodynamically equivalent number of square feet of finned tube) per MMBtu/hr of heat input and variable frequency drive high efficiency electrical motors driving the blower and water pump. Documentation showing this unit is so equipped shall be retained on site. [Public Resources Code 21000-21177: California Environmental Quality Act]
2. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
3. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
4. 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]
5. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
6. Natural gas and/or TEOR and TVR gas combusted in this unit shall have a sulfur content no greater than 1 gr S/100 scf. [District Rules 2201 and 4320]

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-3187-19-0: Jul 26 2011 12:52PM - TORID : Joint Inspection NOT Required

7. Permittee shall test within 60 days of equipment startup, and annually thereafter, the sulfur content of noncertified (non-PUC/FERC regulated) fuel gas combusted in steam generator using ASTM method D1072, D3031, D4084, or D3246 and make test results readily available for District inspection. [District Rules 2520, 9.3.2 and 4320]
8. Emissions rates from unit shall not exceed any of the following limits: 7 ppmv NO_x @ 3% O₂ or 0.0085 lb-NO_x/MMBtu, 0.0076 lb-PM₁₀/MMBtu, 100 ppmv CO @ 3% O₂ or 0.074 lb-CO/MMBtu, or 0.0055 lb-VOC/MMBtu. [District Rules 2201, 4301, 4305, 4306, 4320, and 40 CFR 60.43c(e)(1)]
9. A source test to demonstrate compliance with NO_x and CO emission limits shall be performed within 60 days of initial startup of this unit. [District Rules 2201 and 4320]
10. Source testing to measure NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. 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 Rules 4305, 4306 and 4320]
11. 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. Unless otherwise 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 4320. [District Rules 4305, 4306 and 4320]
12. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]
13. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320]
14. Source testing shall be conducted using the methods and procedures approved by the District. 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. [District Rule 1081]
15. 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 Rules 4305, 5.5.5, 4306, 5.5.5, and 4320]
16. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SO_x - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H₂S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rule 1081, 4305, 4306, 4320, and 4351]
17. 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 4306. [District Rules 4305, 4306 and 4320]
18. The permittee shall monitor and record the stack concentration of NO_x, 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 4305, 4306 and 4320]

CONDITIONS CONTINUE ON NEXT PAGE

19. If either the NO_x 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 Rules 4305, 4306 and 4320]
20. All NO_x, CO, and O₂ 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 Rules 4305, 4306 and 4320]
21. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320]
22. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320]
23. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320]
24. Permittee shall maintain records of noncertified (non-PUC/FERC regulated) fuel gas sulfur compound measurements. [District Rules 2201 and 4320]
25. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320]
26. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320]