



NOV 09 2011

Greg Youngblood
E&B Natural Resources
34740 Merced Avenue
Bakersfield, CA 93308

RE: Notice of Final Action - Authority to Construct
Project Number: S-1110967

Dear Mr. Youngblood:

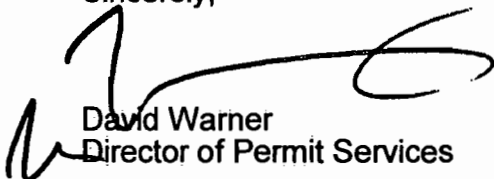
The Air Pollution Control Officer has issued Authority to Construct permits to E&B Natural Resources for increasing flare S-4034-25's fuel use limit and limiting tank S-4034-22's organig liquid TVP, at the SE/4 of section 8, T30S,R21E, MDB&M in the Miller and Lux lease.

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 September 13, 2011. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on September 13, 2011. 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 95358-8718
Tel: (209) 557-8400 FAX: (209) 557-8475

Central Region (Main Office)
1990 E. Gettysburg Avenue
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Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34846 Flyover Court
Bakersfield, CA 93306-9725
Tel: 661-392-5500 FAX: 661-392-5585



NOV 09 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-1110967**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued Authority to Construct permits to E&B Natural Resources for increasing flare S-4034-25's fuel use limit and limiting tank S-4034-22's organig liquid TVP, at the SE/4 of section 8, T30S,R21E, MDB&M in the Miller and Lux lease.

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San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

NOV 09 2011

Gerardo C. Rios (AIR 3)
Chief, Permits Office
Air Division
U.S. E.P.A. - Region IX
75 Hawthorne Street
San Francisco, CA 94105

**RE: Notice of Final Action - Authority to Construct
Project Number: S-1110967**

Dear Mr. Rios:

The Air Pollution Control Officer has issued Authority to Construct permits to E&B Natural Resources for increasing flare S-4034-25's fuel use limit and limiting tank S-4034-22's organig liquid TVP, at the SE/4 of section 8, T30S,R21E, MDB&M in the Miller and Lux lease.

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Sincerely,

David Warner
Director of Permit Services

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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 Authority to Construct permits to E&B Natural Resources for increasing flare S-4034-25's fuel use limit and limiting tank S-4034-22's organig liquid TVP, at the SE/4 of section 8, T30S,R21E, MDB&M in the Miller and Lux lease.

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

The application review for Project #S-1110967 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-4034-22-1

ISSUANCE DATE: 11/07/2011

LEGAL OWNER OR OPERATOR: E&B NATURAL RESOURCES
MAILING ADDRESS: 1600 NORRIS ROAD
BAKERSFIELD, CA 93308

LOCATION: LIGHT OIL WESTERN

SECTION: SW06 TOWNSHIP: 28S RANGE: 20E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 10,500 GALLON CRUDE OIL STORAGE TANK (15 FT. DIA. X 8 FT. HIGH) WITH A P/V VENT VALVE (VOIGT LEASE): LIMIT MAXIMUM TVP TO 5.0 PSIA

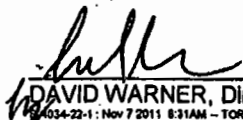
CONDITIONS

1. 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 4623]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. 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]
4. This tank shall be in a gas-tight condition. A gas-tight condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623. [District Rule 4623]
5. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rules 2201 and 4623]
6. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 5.0 psia under all storage conditions. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

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

Sayed Sadredin, Executive Director / APCO



DAVID WARNER, Director of Permit Services

S-4034-22-1; Nov 7 2011 8:31AM - TORID : Joint Inspection NOT Required

7. 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 2201]
8. 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 2201]
9. 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 2201]
10. 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 2201]
11. Permittee shall maintain monthly records of average daily crude oil throughput and shall keep accurate records of each organic liquid stored in the tank, including its storage temperature, TVP, and API gravity. [District Rules 2201 and 4623]
12. 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 2201]
13. The permittee shall keep accurate records of each organic liquid stored in the tank, including its storage temperature, TVP, and API gravity. [District Rule 2201]
14. 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 Rules 2201 and 4623]
15. Formerly S-3276-1.



AUTHORITY TO CONSTRUCT

PERMIT NO: S-4034-25-1

ISSUANCE DATE: 11/07/2011

LEGAL OWNER OR OPERATOR: E&B NATURAL RESOURCES

MAILING ADDRESS: 1600 NORRIS ROAD
BAKERSFIELD, CA 93308

LOCATION: LIGHT OIL WESTERN

SECTION: SE8 TOWNSHIP: 30 S RANGE: 21 E

EQUIPMENT DESCRIPTION:

MODIFICATION OF MACTRONIC PRODUCED GAS FLARE WITH 316LSS FLARE TIP (3' DIA. X 20' TALL) AND SOLAR POWERED IGNITION SYSTEM AND 370 GALLON SEPARATOR VESSEL: INCREASE THROUGHPUT FROM 29 MCF/DAY TO 100 MCF/DAY, ADD AIR ASSIST AND DESIGNATE LOCATION AS SE/4 SECTION 8, T30S, R21E

CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. 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 4623]
3. 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]
4. No more than 100 Mscf of gas shall be flared per day. [District Rule 2201]
5. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
6. The flare shall be equipped with an operational gas flow meter. [District Rule 2201]
7. Vessel shall only store, place, or hold organic liquid with a true vapor pressure (TVP) no greater than 1.5 psia under all storage conditions. [District Rule 2201 and 4409]
8. A flame shall be present at all times when combustible gases are vented through the flare. [District Rules 2201 and 4311]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO


DAVID WARNER, Director of Permit Services

9. 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 Rules 2201 and 4311].
10. Flare pilot shall be fired solely on PUC-quality natural gas. [District Rule 2201]
11. Flare shall be equipped with a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device capable of continuously detecting at least one pilot flame or the flare flame is present. The flame detection device shall be kept operational at all times except during flare maintenance when the flare is isolated from gas flow. During essential planned power outages when the flare is operating, the pilot monitor is allowed to be non-functional if the flare flame is clearly visible to onsite operators. Effective on and after July 1, 2012, all pilot monitor downtime shall be reported annually pursuant to Rule 4311, section 6.2.3.6. [District Rule 4311]
12. If the flare uses a flow-sensing automatic ignition system and does not use a continuous flame pilot, the flare shall use purge gas for purging. [District Rule 4311]
13. Open flares in which the flare gas pressure is less than 5 psig shall be operated in such a manner that meets the provisions of 40 CFR 60.18. [District Rule 4311]
14. Permittee shall maintain with the permit accurate fugitive component counts for vapor handling components and resulting emissions calculated using CAPCOA's "California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-2c (Feb 1999) Oil and Gas Production Screening Value Range emission factors. [District Rule 2201]
15. The fugitive VOC emissions from this operation shall not exceed 0.05 lb/day. [District Rule 2201]
16. Maximum VOC content of produced fluids in liquid piping between separator and tank S-3262-5 shall not exceed 10% by weight. [District Rule 2201]
17. Permittee shall maintain with the permit accurate records of the produced fluid's VOC content. [District Rules 2201 and 1070]
18. Emissions from the flare shall not exceed any of the following: NO_x 0.068 lb/MM Btu, CO 0.370 lb/MM Btu, PM₁₀ 0.026 lb/MM Btu and VOC 0.063 lb/MM Btu. [District Rule 2201]
19. The sulfur content of the gas being flared shall not exceed exceed 1.0 gr S/100scf. [District Rules 2201 and 4801]
20. Compliance with sulfur compound emission limit shall be demonstrated by testing for fuel sulfur content once every 24 months. [District Rule 2201]
21. 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. [District Rules 2201 and 4409]
22. 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 Rules 2201 and 4409]
23. 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 Rules 2201 and 4409]
24. The sulfur content of the gas being flared shall be determined using ASTM D1072, D3031, D4084, D3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2201]
25. The permittee shall keep accurate records of each organic liquid stored in the tank, including its storage temperature, TVP, and API gravity. [District Rules 2201 and 4409]
26. Permittee shall maintain daily records of volume of gas flared and annual records of the fuel sulfur content. [District Rule 2210]
27. All records, including required monitoring data and support information, shall be maintained and retained for a period of 5 years and made available for inspection at any time. [District Rule 1070]

CONDITIONS CONTINUE ON NEXT PAGE

28. ATC S-4034-22-1 shall be implemented prior to or concurrently with this ATC. [District Rule 2201]