



NOV 14 2011

Ms. Ken Bork
Plains Exploration & Production Company
1200 Discovery Drive, Suite 500
Bakersfield, CA 93309

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1372
Project # S1111509**

Dear Ms. Bork:

The Air Pollution Control Officer has issued an Authority to Construct (S-1372-408-0) with a Certificate of Conformity to Plains Exploration & Production Company within the heavy oil production stationary source in western Kern County fields. The project authorizes a 6.6 MMBtu/hr standby flare with air assist and continuous propane pilot.

Enclosed is the Authority to Construct. The application and proposal were sent to US EPA Region IX on October 4, 2011. No comments were received following the District's preliminary decision on this project.

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

Prior to operating with modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5.

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

Sincerely,

David Warner
Director of Permit Services

DW: RUE/cm

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

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

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



NOV 14 2011

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

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1372
Project # S1111509**

Dear Mr. Rios:

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NOV 14 2011

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

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1372
Project # S1111509**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued an Authority to Construct (S-1372-408-0) with a Certificate of Conformity to Plains Exploration & Production Company within the heavy oil production stationary source in western Kern County fields. The project authorizes a 6.6 MMBtu/hr standby flare with air assist and continuous propane pilot.

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Sincerely,

David Warner
Director of Permit Services

DW: RUE/cm

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AUTHORITY TO CONSTRUCT

PERMIT NO: S-1372-408-0

ISSUANCE DATE: 11/09/2011

LEGAL OWNER OR OPERATOR: PLAINS EXPLORATION & PRODUCTION COMPANY

MAILING ADDRESS: ATTN: KENNETH BORK
1200 DISCOVERY DRIVE, SUITE 500
BAKERSFIELD, CA 93309

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NE19 TOWNSHIP: 30S RANGE: 22E

EQUIPMENT DESCRIPTION:

FLARE INDUSTRIES MODEL SF-VP-0616 (OR EQUIVALENT) 6.6 MMBTU/HR AIR ASSIST STANDBY FLARE WITH AUTOIGNITION PROPANE PILOT

CONDITIONS

1. 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 Rule 2201] Federally Enforceable Through Title V Permit
2. 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
3. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this Authority to Construct. Approval of the equivalent equipment shall be made only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the specifically authorized equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emission rates, equipment drawing(s), and operational characteristics/parameters. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Alternate equipment shall be of the same class and category of source as the equipment authorized by the Authority to Construct. [District Rule 2201] 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-1372-408-0 : Nov 8 2011 10:06AM - EDGEHILR : Joint Inspection Required with EDGEHILR

6. No emission factor and no emission shall be greater for the alternate equipment than for the proposed equipment. No changes in the hours of operation, operating rate, throughput, or firing rate may be authorized for any alternate equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Assist air blower shall be capable of providing at least 20% of stoichiometric combustion air requirement. [District Rule 2080] Federally Enforceable Through Title V Permit
8. The flare shall use purge gas for purging. [District Rule 4311, 5.5] Federally Enforceable Through Title V Permit
9. Flare air-assist blower shall be maintained and operated for smokeless combustion, i.e. no visible emissions in excess of 5% opacity or 1/4 Ringelmann except for periods not to exceed a total of 5 minutes during any 2 consecutive hours. [District Rules 2201, 4001, and 4311] Federally Enforceable Through Title V Permit
10. LPG shall be used as pilot fuel. [District Rule 2080] Federally Enforceable Through Title V Permit
11. Flare shall be operated with a flame present at all times, and kept in operation when emissions may be vented to them. The presence of a flare pilot flame shall be monitored using a thermocouple or any other equivalent device to detect the presence of a flame. [40 CFR 60.18 (c)(2), 60.18 (e), and 60.18 (f)(2)] Federally Enforceable Through Title V Permit
12. The 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
13. Flare shall be equipped with recording, volumetric flow meters that shall be used to individually monitor and record the volumes of produced gas and pilot gas combusted in this unit. [District Rule 2201] Federally Enforceable Through Title V Permit
14. The 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. The pilot need not be present when the flare is isolated for required flare maintenance. [District Rule 4311, 5.3] Federally Enforceable Through Title V Permit
15. 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 and unforeseen or necessary planned power outages. [District Rule 4311, 5.4] Federally Enforceable Through Title V Permit
16. The H2S content of gas combusted in the flare shall not exceed 1250 ppmv. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Maximum amount of gas combusted shall not exceed 157.8 MMBtu/day nor 7101 MMBtu/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Emissions from the flare shall not exceed any of the following limits (based on total gas combusted): NOx (as NO2): 0.068 lb/MMBtu; PM10: 0.008 lb/MMBtu; CO: 0.37 lb/MMBtu; or VOC: 0.063 lb/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Measured heating value and quantity of gas flared shall be used to determine compliance with heat input limits. [District Rule 2201] Federally Enforceable Through Title V Permit
20. Flares shall be designed for and operated with no visible emissions, except for periods not to exceed a total of 5 minutes during any 2 consecutive hours. [40 CFR 60.18(c)(1)] Federally Enforceable Through Title V Permit
21. Using a trained observer as defined in EPA Method 22, operator shall check for visible emissions for a period of 15 minutes each time the flare is brought from standby to active service and at least once every two weeks thereafter as long as the flare is in active service. If visible emissions are detected at any time during this period, the operator shall make the necessary adjustments to eliminate the visible emissions. If the observed visible emissions cannot be eliminated within 24 hours, the operator shall demonstrate compliance with the visible emissions limit of this permit using EPA Method 22 and an observation period of two hours. A record containing the results of these observations shall be maintained, which also includes company name, process unit, observer's name and affiliation, date, estimated wind speed and direction, sky condition, and the observer's location relative to the source and sun. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

22. Flares shall only be used with the net heating value of the gas being combusted being 300 Btu/scf or greater if the flare is air-assisted or steam-assisted. [40 CFR 60.18 (c)(3)] Federally Enforceable Through Title V Permit
23. The net heating value of the gas being combusted in a flare shall be calculated annually, pursuant to 40 CFR 60.18(f)(3) and using EPA Method 18, ASTM D1946, and ASTM D2382. [40 CFR 60.18 (f)(3-6)] Federally Enforceable Through Title V Permit
24. Air-assisted flares shall be operated with an exit velocity less than V_{max} , as determined by the equation specified in paragraph 40 CFR 60.18 (f)(6). [40 CFR 60.18 (c)(5)] Federally Enforceable Through Title V Permit
25. The actual exit velocity of a flare shall be determined by dividing the volumetric flowrate (in units of standard temperature and pressure), as determined by Reference Methods 2, 2A, 2C, or 2D as appropriate; by the unobstructed (free) cross sectional area of the flare tip; [40 CFR 60.18 (f)(4)] Federally Enforceable Through Title V Permit
26. Permittee shall submit and have approved by the APCO a flare minimization plan prior to operating the flare authorized by this permit.. [District Rule 4311] Federally Enforceable Through Title V Permit
27. Flaring shall be consistent with the operator's approved flare minimization plan (FMP), pursuant to Section 6.5 of Rule 4311, and all commitments listed in that plan have been met. This standard shall not apply if the APCO determines that the flaring is caused by an emergency as defined by Section 3.7 of Rule 4311 and is necessary to prevent an accident, hazard or release of vent gas directly to the atmosphere. [District Rule 4311] Federally Enforceable Through Title V Permit
28. The operator of a flare subject to flare minimization requirements pursuant to Section 5.8 shall monitor the vent gas flow to the flare with a flow measuring device or other parameters as specified in the Permit to Operate. The operator shall maintain records pursuant to Section 6.1.7 of Rule 4311. Flares that the operator can verify, based on permit conditions, are not capable of producing reportable flare events pursuant to Section 6.2.2 of Rule 4311 shall not be required to monitor vent gas flow to the flare. [District Rule 4311] Federally Enforceable Through Title V Permit
29. Permittee shall keep a copy of flare minimization plan on site for District inspection upon request. [40 CFR 60.18, Rule 4311] Federally Enforceable Through Title V Permit
30. To show compliance with sulfur emission limits (ppmv as H₂S), the gas being flared shall be tested weekly for sulfur content. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for the flared gas, then the compliance testing frequency shall be semi-annually. If the semi-annual sulfur content test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
31. The sulfur content of the gas being flared shall be determined using ASTM D 1072, D 3031, D 4084, D 3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
32. Net heating value of the gas being combusted by flare shall be 300 Btu/scf or greater. [District Rule 4001 and 4311] Federally Enforceable Through Title V Permit
33. Semi-annual reports of all periods without the presence of a flare pilot flame shall be furnished to the District Compliance Division and EPA. [District Rule 4001 40CFR 60.115b(d)(3)] Federally Enforceable Through Title V Permit
34. Upon request operator shall make available to the APCO the compliance determination records that demonstrate compliance with the provisions of 40 CFR 60.18. [District Rule 4311, 6.1] Federally Enforceable Through Title V Permit
35. Copies of compliance determination pursuant to 40 CFR 60.18 shall be made readily available to the APCO, ARB, and EPA upon request for a minimum of 5 years. [District Rule 1070 and 4311] Federally Enforceable Through Title V Permit
36. Records shall be maintained of all periods when the flare pilot flame is absent. [District Rule 40CFR 60.115(d)(2)] Federally Enforceable Through Title V Permit
37. Permittee shall maintain accurate records of flared gas higher heating value, daily and annual quantities of produced gas, pilot gas, and sweep gas combusted in the flare, and flared gas concentration of H₂S. [District Rules 2201 and Rules 2520, 9.3.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

38. The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
39. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 182 lb/quarter; PM10: 21 lb/quarter, and VOC: 167 lb/quarter. Offsets include the applicable offset ratio specified in Section 4.8 of Rule 2201 (as amended 4/21/11). [District Rule 2201] Federally Enforceable Through Title V Permit
40. ERC Certificate Numbers S-3227-2, C-950-4, and C-1029-1 (or a certificate split from this certificate) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
41. Prior to operating under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: SOx: 710 lb/quarter. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 4/21/2011). [District Rule 2201] Federally Enforceable Through Title V Permit
42. ERC Certificate Numbers S-2800-5 and S-3165-5 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit