



JAN 18 2012

Terry Ellis
Macpherson Oil Company
PO Box 5368
Bakersfield, CA 93388

**Re: Notice of Final Action - Significant Title V Permit Modification
District Facility # S-1703
Project # S-1113747**

Dear Mr. Ellis:

The Air Pollution Control Officer has modified the Title V permit for Macpherson Oil Company at their Heavy Oil Central Stationary Source in Kern County incorporating S-1703-204-0. The project is to install a new 85 MMBtu/hr natural gas-fired steam generator.

Enclosed is the modified Title V permit. The application and proposal were sent to US EPA Region IX on December 7, 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

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: JAS/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



JAN 18 2012

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

**Re: Notice of Final Action - Significant Title V Permit Modification
District Facility # S-1703
Project # S-1113747**

Dear Mr. Rios:

The Air Pollution Control Officer has modified the Title V permit for Macpherson Oil Company at their Heavy Oil Central Stationary Source in Kern County incorporating S-1703-204-0. The project is to install a new 85 MMBtu/hr natural gas-fired steam generator.

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JAN 18 2012

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

**Re: Notice of Final Action - Significant Title V Permit Modification
District Facility # S-1703
Project # S-1113747**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has modified the Title V permit for Macpherson Oil Company at their Heavy Oil Central Stationary Source in Kern County incorporating S-1703-204-0. The project is to install a new 85 MMBtu/hr natural gas-fired steam generator.

Enclosed is the modified Title V permit. The application and proposal were sent to US EPA Region IX on December 7, 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.

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: JAS/cm

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**NOTICE OF FINAL DECISION
FOR THE PROPOSED MODIFICATION OF
FEDERALLY MANDATED OPERATING PERMIT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District has made its final decision to modify the Federally Mandated Operating Permit to Macpherson Oil Company for its heavy oil production operation at their Heavy Oil Central Stationary Source in Kern County, California.

The District's analysis of the legal and factual basis for this proposed action, project #S-1113747, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. For additional information regarding this matter, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500, or contact David Warner, Director of Permit Services, in writing at SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 E. GETTYSBURG AVE, FRESNO, CA 93726-0244.



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1703-204-0

ISSUANCE DATE: 01/09/2012

LEGAL OWNER OR OPERATOR: MACPHERSON OIL COMPANY
MAILING ADDRESS: PO BOX 5368
BAKERSFIELD, CA 93388

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
CA

EQUIPMENT DESCRIPTION:
85.0 MMBTU/HR NATURAL GAS -FIRED STEAM GENERATOR WITH COEN MODEL QLN-II ULTRA-LOW NOX BURNER (OR EQUIVALENT) AND A FLUE GAS RECIRCULATION (FGR) SYSTEM

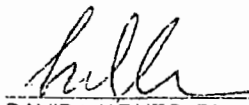
CONDITIONS

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 in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment. [District Rule 2010] 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 emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
5. 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]

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 / APCD


DAVID WARNER, Director of Permit Services

6. 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, CEQA]
7. Prior to operating equipment under this Authority to Construct, permittee shall surrender emissions reduction credits for the following increases in emissions: NOx: 1,303 lb/qr and PM10: 559 lb/qr. Offsets shall be provided at the applicable offset ratio specified in Section 4.8 of Rule 2201. [District Rule 2201] Federally Enforceable Through Title V Permit
8. ERC Certificate Numbers C-1102-2 and C-1102-5 (or a certificate 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
9. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permit to Operate S-1703-79 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
10. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
11. 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] Federally Enforceable Through Title V Permit
12. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
13. The unit shall only be fired on PUC-quality natural gas with a maximum sulfur content of 1.0 gr S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
14. Permittee shall determine sulfur content of combusted gas annually or shall demonstrate that the combusted gas is provided from a PUC or FERC regulated source. [District Rules 1081 and 4320] Federally Enforceable Through Title V Permit
15. Emissions rates from unit shall not exceed any of the following limits: 6 ppmv NOx @ 3% O2 or 0.007 lb-NOx/MMBtu, 0.003 lb-PM10/MMBtu, 25 ppmv CO @ 3% O2 or 0.0185 lb-CO/MMBtu, or 0.0055 lb-VOC/MMBtu. [District Rules 2201, 4301, 4305, 4306, 4320, and 40 CFR 60.43c(e)(1)] Federally Enforceable Through Title V Permit
16. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of initial startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
17. Source testing to measure NOx 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] Federally Enforceable Through Title V Permit
18. 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] Federally Enforceable Through Title V Permit
19. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
20. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. 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] Federally Enforceable Through Title V Permit
22. 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] Federally Enforceable Through Title V Permit
23. 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] Federally Enforceable Through Title V Permit
24. 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] Federally Enforceable Through Title V Permit
25. 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] Federally Enforceable Through Title V Permit
26. All alternate monitoring parameter 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] Federally Enforceable Through Title V Permit
27. 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] Federally Enforceable Through Title V Permit
28. 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] Federally Enforceable Through Title V Permit