



JAN 18 2012

Mr. Kenneth Bork
Plains Exploration & Production Company
1200 Discovery Dr., Suite 500
Bakersfield, CA 93309

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1372
Project # S-1113786**

Dear Mr. Bork:

The Air Pollution Control Officer has issued an Authority to Construct (S-1372-324-2) with a Certificate of Conformity to Plains Exploration & Production Company within the Heavy Oil Western Stationary Source of Kern County. This modification will result in an increase in throughput and the TVP limit of a crude oil storage tank.

Enclosed is the Authority to Construct. The application and proposal were sent to US EPA Region IX on December 8, 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: KTR/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: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1372
Project # S-1113786**

Dear Mr. Rios:

The Air Pollution Control Officer has issued an Authority to Construct (S-1372-324-2) with a Certificate of Conformity to Plains Exploration & Production Company within the Heavy Oil Western Stationary Source of Kern County. This modification will result in an increase in throughput and the TVP limit of a crude oil storage tank.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on December 8, 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: KTR/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

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 # S-1113786**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued an Authority to Construct (S-1372-324-2) with a Certificate of Conformity to Plains Exploration & Production Company within the Heavy Oil Western Stationary Source of Kern County. This modification will result in an increase in throughput and the TVP limit of a crude oil storage tank.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on December 8, 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: KTR/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

**NOTICE OF FINAL 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 has made its final decision to issue an Authority to Construct to Plains Exploration & Production Company for heavy oil production located within the Heavy Oil Western Stationary Source of Kern County, California. This modification will result in an increase in throughput and the TVP limit of a crude oil storage tank.

The District's analysis of the legal and factual basis for this proposed action, project #S-1113786, is available for public inspection at 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.



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1372-324-2

ISSUANCE DATE: 01/09/2012

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: NW06 **TOWNSHIP:** 30S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 2,000 BBL FIXED ROOF CONSTANT LEVEL CRUDE OIL STORAGE TANK WITH PV VALVE (MCKITTRICK FRONT LEASE): INCREASE TVP TO 0.5 PSIA AND INCREASE THROUGHPUT TO 3,000 BBL/DAY

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. Authority to Construct (ATC) S-1372-324-1 shall be implemented concurrently with or prior to this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 284 lb, 2nd quarter - 284 lb, 3rd quarter - 284 lb, and fourth quarter - 284 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [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-1372-324-2 Jan 9 2012 2:54 PM - RICKARDK : Joint Inspection NOT Required

5. ERC Certificate Numbers C-616-1 and C-1089-1 (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
6. Tank shall operate at a constant level. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Crude oil throughput shall not exceed 3,000 barrels per day based on a monthly average. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
8. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
9. 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. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank within 60 days of startup and 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 Rules 2201 and 4623] Federally Enforceable Through Title V Permit
11. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct API gravity testing. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
12. 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 4623] Federally Enforceable Through Title V Permit
13. 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 4623] Federally Enforceable Through Title V Permit
14. Permittee shall submit the records of TVP and API gravity testing to the APCO within 30 days of startup tvp testing and within 45 days after the date of each 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 Rules 2201 and 4623] Federally Enforceable Through Title V Permit
15. 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 4623] Federally Enforceable Through Title V Permit
16. 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] Federally Enforceable Through Title V Permit
17. 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 Rule 1070] Federally Enforceable Through Title V Permit