



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

MAR 27 2012

Mr. Joey Barulich
Vintage Production California, LLC
9600 Ming Avenue, Suite 300
Bakersfield, CA

**Re: Final - Authority to Construct / Certificate of Conformity (Significant Mod)
District Facility # S-1326
Project # S-1114230**

Dear Mr. Barulich:

The Air Pollution Control Officer has issued an Authority to Construct (S-1326-416-0) with a Certificate of Conformity to Vintage Production California, LLC located at the Tejon oil field (SW/4 Sec 32, T 11N, R 19W). The project consists of retrofitting an existing 4.2 MMBtu/hr process heater (PEER S-1327-2) with two 5.0 MMBtu/hr ultra-low NOX burners.

Enclosed is the Authority to Construct. The application and proposal were sent to US EPA Region IX on January 17, 2012. All comments received have been addressed by the District. A summary of the comments and the District's response to each comment is included as an attachment to the engineering evaluation.

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.

Enclosed is an invoice for the engineering evaluation fees. Please remit the amount owed, along with a copy of the attached invoice, within 30 days.

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: SDD/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



MAR 27 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 / Certificate of Conformity (Significant Mod)
District Facility # S-1326
Project # S-1114230**

Dear Mr. Rios:

The Air Pollution Control Officer has issued an Authority to Construct (S-1326-416-0) with a Certificate of Conformity to Vintage Production California, LLC located at the Tejon oil field (SW/4 Sec 32, T 11N, R 19W). The project consists of retrofitting an existing 4.2 MMBtu/hr process heater (PEER S-1327-2) with two 5.0 MMBtu/hr ultra-low NOX burners.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on January 17, 2012. All comments received have been addressed by the District. A summary of the comments and the District's response to each comment is included as an attachment to the engineering evaluation.

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.

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MAR 27 2012

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

**Re: Final - Authority to Construct / Certificate of Conformity (Significant Mod)
District Facility # S-1326
Project # S-1114230**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued an Authority to Construct (S-1326-416-0) with a Certificate of Conformity to Vintage Production California, LLC located at the Tejon oil field (SW/4 Sec 32, T 11N, R 19W). The project consists of retrofitting an existing 4.2 MMBtu/hr process heater (PEER S-1327-2) with two 5.0 MMBtu/hr ultra-low NOX burners.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on January 17, 2012. All comments received have been addressed by the District. A summary of the comments and the District's response to each comment is included as an attachment to the engineering evaluation.

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: SDD/cm

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**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 Vintage Production California, LLC for heavy oil facility located at located at the Tejon oil field (SW/4 Sec 32, T 11N, R 19W), California. The project consists of retrofitting an existing 4.2 MMBtu/hr process heater (PEER S-1327-2) with two 5.0 MMBtu/hr ultra-low NOX burners.

The District's analysis of the legal and factual basis for this proposed action, project #S-1114230, is available for public inspection at the District office at the address below. For additional information regarding this matter, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900, 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-1326-416-0

ISSUANCE DATE: 03/12/2012

LEGAL OWNER OR OPERATOR: VINTAGE PRODUCTION CALIFORNIA LLC

MAILING ADDRESS: 9600 MING AVE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
KERN COUNTY, CA

SECTION: SW 32 **TOWNSHIP:** 11N **RANGE:** 19W

EQUIPMENT DESCRIPTION:

10 MMBTU/HR PROCESS HEATER EQUIPPED WITH AMERICAN COMBUSTION TECHNOLOGIES OF CALIFORNIA
ULTRA LOW NOX FORCED DRAFT BURNER (OR EQUIVALENT)

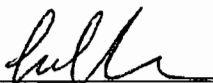
CONDITIONS

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. 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
4. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201] Federally Enforceable Through Title V Permit
5. This unit shall be equipped with an O2 trim control system and burner designed to operate at an O2 exhaust percentage of no greater than 4.5% [Public Resources Code 21000-21177: California Environmental Quality Act]

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-1326-416-0 : Mar 12 2012 9:17AM - DAVIDSOS : Joint inspection NOT Required

6. The electric motors driving combustion air fans or induced draft fans shall have an efficiency meeting the standards of the National Electrical Manufacturer's Association (NEMA) for premium efficiency motors and shall each be operated with a variable speed control or equivalent for control of flow through the fan. [Public Resources Code 21000-21177: California Environmental Quality Act]
7. The unit shall only be fired on natural/TEOR/ethane rich gas with a maximum sulfur content of 1.0 gr S/100scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
8. At least quarterly, when fired on produced gas or produced gas/natural gas mixture, the permittee shall monitor using the methods specified in this permit the higher heating value of each non-certified fuel supplied to this unit, or, alternatively, have the higher heating value certified by the fuel supplier. The records of higher heating value and quantity of fuel combusted shall be used to demonstrate that the rated heat input capacity of this unit, as averaged over a calendar quarter, is not exceeded. [District Rules 2201] Federally Enforceable Through Title V Permit
9. The higher heating value of produced gas or produced gas/natural gas mixture shall be determined by ASTM D1826 or D1945 in conjunction with ASTM D 3588. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
10. 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] Federally Enforceable Through Title V Permit
11. Emissions from the natural gas-fired unit shall not exceed any of the following limits: 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu, 0.00285 lb SO_x/MMBtu, 0.003 lb-PM₁₀/MMBtu, 50 ppmvd CO @ 3% O₂ or 0.037 lb-CO/MMBtu, or 0.0055 lb-VOC/MMBtu. [District Rules 2201, 4201, 4301, 4305, 4306, 4320, and 4801] Federally Enforceable Through Title V Permit
12. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial startup and at least once every twelve (12) months thereafter. 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 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
13. Permittee shall determine sulfur content of all types of fuel combusted gas annually. [District Rules 1081 and 4320] Federally Enforceable Through Title V Permit
14. 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
15. 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
16. 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
17. NO_x emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
18. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
19. Stack gas oxygen (O₂) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
20. Fuel sulfur content shall be determined using EPA Method 11 or Method 15. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. 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] 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, 4306, and 4320] Federally Enforceable Through Title V Permit
23. Permittee shall determine sulfur content of combusted gas weekly for eight consecutive weeks. After demonstrating compliance for eight consecutive weeks testing may be conducted on a quarterly basis. Weekly sulfur testing shall resume if quarterly testing does not indicate compliance. Weekly gas analysis shall be performed using Draeger tubes and quarterly analysis using ASTM method D3246 or double GC for H₂S and mercaptans. First of the weekly gas analyses shall be done using laboratory analysis. [District Rules 1081 and 2201] Federally Enforceable Through Title V Permit
24. Compliance with fuel sulfur limit(s) can be demonstrated either by monitoring sulfur content at location(s) after all fuel sources are combined prior to incineration, or by monitoring the sulfur content and volume of each fuel source and performing mass balance calculations. Records of monitoring locations, detected sulfur concentrations, and mass balance calculations, if necessary, shall be maintained and kept onsite and made readily available for District inspection upon request. [District Rules 1081 and 2201] Federally Enforceable Through Title V Permit
25. 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
26. 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
27. 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
28. 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
29. Permittee shall maintain monthly records of gas combusted in this unit. [District Rule 2201] Federally Enforceable Through Title V Permit
30. 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, 4320, and 40 CFR 60.48c(i)] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

31. Prior to operating equipment under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: NOx: 362 lb/quarter; PM10: 99 lb/quarter, and VOC: 181 lb/qtr. Offsets include the applicable offset ratio specified in Section 4.8 of Rule 2201 (as amended 4/21/11). SOx may be offset using PM10 at an interpollutant offset ratio of 1.0 tons SOx/ton PM10. [District Rule 2201] Federally Enforceable Through Title V Permit
32. ERC Certificate Numbers S-3523-2, S-3061-5, and S-3699-1 (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
33. PEER S-1326-2 shall be canceled upon implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit