



APR 17 2012

Steve Fisher All American Oil & Gas, Inc. P. O. Box 10207 Bakersfield, CA 93389

Re: Notice of Preliminary Decision - Title V Permit Renewal

District Facility # S-724 Project # S-1104211

Dear Mr. Fisher:

Enclosed for your review and comment is the District's analysis of the application to renew the Federally Mandated Operating Permit for All American Oil & Gas, Inc. for its Gas and Oil Production Operation at Heavy Oil Central in Kern River Oil Field in Kern County, California.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day comment period which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Sincerely,

Dávid Warner

Director of Permit Services

Attachments

C: Kamaljit Sran, Permit Services Engineer

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

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

Southern Region





APR 17 2012

Gerardo C. Rios, Chief Permits Office (AIR-3) U.S. EPA - Region IX 75 Hawthorne St. San Francisco, CA 94105

Re: Notice of Preliminary Decision - Title V Permit Renewal

District Facility # S-724 Project # S-1104211

Dear Mr. Rios:

Enclosed for your review and comment is the District's analysis of the application to renew the Federally Mandated Operating Permit for All American Oil & Gas, Inc. for its Gas and Oil Production Operation at Heavy Oil Central in Kern River Oil Field in Kern County, California.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 45-day comment period which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Sincerely,

David Warner

Director of Permit Services

Attachments

C: Kamaljit Sran, Permit Services Engineer

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

www.valleyair.org

Southern Region 34946 Flyover Court

Bakersfield, CA 93308-9725 Tel: 661-392-5500 FAX: 661-392-5585

www.healthyairliving.com





APR 17 2012

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

Re: Notice of Preliminary Decision - Title V Permit Renewal

District Facility # S-724 Project # S-1104211

Dear Mr. Tollstrup:

Enclosed for your review and comment is the District's analysis of the application to renew the Federally Mandated Operating Permit for All American Oil & Gas, Inc. for its Gas and Oil Production Operation at Heavy Oil Central in Kern River Oil Field in Kern County, California.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day comment period which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Sincerely.

David Warner

Director of Permit Services

Attachments

C: Kamaljit Sran, Permit Services Engineer

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 PRELIMINARY DECISION FOR THE PROPOSED RENEWAL OF THE FEDERALLY MANDATED OPERATING PERMIT

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District solicits public comment on the proposed renewal of the Federally Mandated Operating Permit to All American Oil & Gas, Inc. for its Gas and Oil Production Operation at Heavy Oil Central in Kern River Oil Field in Kern County, California.

The District's analysis of the legal and factual basis for this proposed action, project #S-1104211, is available for public inspection http://www.valleyair.org/notices/public notices idx.htm and the District office at the address below. There are no emission changes associated with this proposed action. This will be the public's only opportunity to comment on the specific conditions of the proposed renewal of the Federally Mandated Operating permit. If requested by the public, the District will hold a public hearing regarding issuance of this renewed permit. For additional information, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900. Written comments on the proposed renewed permit must be submitted within 30 days of the publication date of this notice to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 E. GETTYSBURG AVE, FRESNO, CALIFORNIA 93726-0244.

SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT

Draft Title V Permit Renewal Evaluation All American Oil & Gas, Inc. S-724

TABLE OF CONTENTS

l.	PROPOSAL	2
II.	FACILITY LOCATION	2
	EQUIPMENT LISTING	
	GENERAL PERMIT TEMPLATE USAGE	
	SCOPE OF EPA AND PUBLIC REVIEW	
	FEDERALLY ENFORCEABLE REQUIREMENTS	
	REQUIREMENTS NOT FEDERALLY ENFORCEABLE	
VIII	PERMIT REQUIREMENTS	6
IX.	PERMIT SHIELD	26
	PERMIT CONDITIONS	
XI.	ATTACHMENTS	26
A.	DRAFT RENEWED TITLE V OPERATING PERMIT	
B.	PREVIOUS TITLE V OPERATING PERMIT	
C.	DETAILED FACILITY LIST	

TITLE V PERMIT RENEWAL EVALUATION

Gas and Oil Production

Engineer: Kamaljit Sran

Date: 4/11/2012

Facility Number: S-724

Facility Name: All American Oil & Gas, Inc.

Mailing Address: P. O. Box 10207

Bakersfield, CA 93389

Contact Name: Steve Fisher

Phone: (661) 331-8183

Responsible Official: Steve Fisher

Title: Operations Manager

Project #: S-1104211 **Deemed Complete:** 12/13/2010

I. PROPOSAL

DAI Oildale, Inc. was issued a renewed Title V permit on January 31, 2006. As required by District Rule 2520, the applicant is requesting a permit renewal. The existing Title V permit shall be reviewed and modified to reflect all applicable District and federal rules updated, removed, or added since the issuance of the initial Title V permit.

During Title V renewal application processing DAI Oildale, Inc. was bought out by All American Oil & Gas, Inc. Therefore renewed Title V permit will be issued to All American Oil & Gas, Inc.

The purpose of this evaluation is to provide the legal and factual basis for all updated applicable requirements and to determine if the facility will comply with these updated requirements. It also specifically identifies all additions, deletions, and/or changes made to permit conditions or equipment descriptions.

II. FACILITY LOCATION

All American Oil & Gas, Inc. is located in the Kern River Oilfield – S 6, T 29S, R 28E.

III. EQUIPMENT LISTING

A detailed facility printout listing all permitted equipment at the facility is included as Attachment C.

IV. GENERAL PERMIT TEMPLATE USAGE

The applicant is requesting to use the following model general permit Templates:

A. Template SJV-UM-0-3 Facility Wide Umbrella

The applicant has requested to utilize template No. SJV-UM-0-3, <u>Facility Wide Umbrella</u>. Based on the information submitted in the Template Qualification Form, the applicant qualifies for the use of this template. Template SJV-UM-0-3 conditions have been added as conditions 1 through 40 for the renewed facility wide requirements (S-0724-0-3) and replace conditions 1 through 40 of the existing facility wide requirements (S-0724-0-2).

V. SCOPE OF EPA AND PUBLIC REVIEW

Certain segments of the final Renewed Operating Permit are based on model general permit templates that have been previously subject to EPA and public review. The terms and conditions from the model general permit templates are included in the final permit and are not subject to further EPA and public review.

For permit applications utilizing model general permit templates, public and agency comments on the District's final actions are limited to the applicant's eligibility for model general permit template, applicable requirements not covered by the model general permit template, and the applicable procedural requirements for issuance of Title V Operating Permits.

The following permit conditions, including their underlying applicable requirements, originate form model general permit templates and are not subject to further EPA or public review.

Conditions 1 through 40 of the facility-wide requirements S-0724-0-3.

VI. FEDERALLY ENFORCEABLE REQUIREMENTS NOT ADDRESSED BY MODEL GENERAL PERMIT TEMPLATES

A. Rules Updated

- District Rule 2201, New and Modified Stationary Source Review Rule (amended December 19, 2005 ⇒ amended April 21, 2011)
- District Rule 4401, <u>Steam Enhanced Crude Oil Production Wells</u> (amended January 15, 1998 ⇒ amended June 16 201)
- District Rule 4702, <u>Internal Combustion Engines Phase 2</u> (amended June 16, 2005 ⇒ amended August 18, 2011)
- District Rule 4703, <u>Stationary Gas Turbines</u>
 (amended April 25, 2002 ⇒ amended September 20, 2007)

B. Rules Removed

No rules were removed.

C. Rules Added

- 40 CFR 60 Subpart KKKK <u>Standards of Performance for Stationary</u> <u>Combustion Turbines</u>
- 40 CFR 63 Subpart YYYY <u>National Emission Standards for Hazardous Air</u>
 Pollutants for Stationary Combustion Turbines
- 40 CFR 63, Subpart ZZZZ <u>National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines</u>

D. Rules Not Updated

- District Rule 1070, Inspections (amended December 17, 1992)
- District Rule 1080, <u>Stack Monitoring</u> (amended December 17,1992)
- District Rule 1081, Source Sampling (amended December 16,1993)
- District Rule 2520, <u>Federally Mandated Operating Permits</u> (amended June 21, 2001)
- District Rule 4201, <u>Particulate Matter Concentration</u> (amended December 17, 1992)
- District Rule 4202, <u>Particulate Matter Emission Rate</u> (amended December 17, 1992)

- District Rule 4623, Storage of Organic Liquids (amended May 19, 2005)
- District Rule 4701, Internal Combustion Engines (amended August 21, 2003)
- District Rule 4801, <u>Sulfur Compounds</u> (amended December 17, 1992)
- 40 CFR 60 Subpart GG <u>Standards of Performance for Stationary Gas</u>
 <u>Turbines</u>
- 40 CFR Part 64, Compliance Assurance Monitoring (CAM)

VII. REQUIREMENTS NOT FEDERALLY ENFORCEABLE

For each Title V source, the District issues a single permit that contains the Federally Enforceable requirements, as well as the District-only requirements. The District-only requirements are not a part of the Title V Operating Permits. The terms and conditions that are part of the facility's Title V permit are designated as "Federally Enforceable Through Title V Permit".

For this facility, the following are not federally enforceable and will not be discussed in further detail:

A. Rules Added

No non-federally enforceable rules have been added to the permit.

B. Rules Not Updated

District Rule 4102, Nuisance (as amended December 17, 1992)

 Condition 41 of the facility-wide permit (S-0724-0-3) based on District Rule 4102 and will therefore not be discussed any further.

District Rule 7012, Hexavalent Chromium - Cooling Towers (as amended December 17, 1992)

 Conditions 1 and 2 of permit unit S-0724-42-2 are based on District Rule 7012 and will therefore not be discussed any further.

VIII. PERMIT REQUIREMENTS

The purpose of this evaluation is to review changes to federally enforceable requirements; therefore, this compliance section will only address rules that have been amended or added and additional requirements placed on the permit per EPA request since the issuance of the previous Title V permit.

A. District Rule 2201 - New and Modified Stationary Source Review Rule

District Rule 2201 has been amended since this facility's initial Title V permit was issued. This Title V permit renewal does not constitute a modification per section 3.26, defined as an action including at least one of the following items:

- Any change in hours of operation, production rate, or method of operation of an existing emissions unit, which would necessitate a change in permit conditions.
- 2) Any structural change or addition to an existing emissions unit which would necessitate a change in permit conditions. Routine replacement shall not be considered to be a structural change.
- An increase in emissions from an emissions unit caused by a modification of the Stationary Source when the emissions unit is not subject to a daily emissions limitation.
- 4) Addition of any new emissions unit which is subject to District permitting requirements.
- 5) A change in a permit term or condition proposed by an applicant to obtain an exemption from an applicable requirement to which the source would otherwise be subject.

Therefore, the updated requirements of this rule are not applicable at this time.

B. District Rule 2520 - Federally Mandated Operating Permits

There are no federally applicable Greenhouse Gas (GHG) requirements for this source. It should be noted that the Mandatory Greenhouse Gas Reporting rule (40CFR Part 98) is not included in the definition of an applicable requirement within Title V (per 40CFR 71.2). Therefore, there will be no further discussion of GHG in this evaluation.

C. District Rule 4401 - Steam Enhanced Crude Oil Production Wells

a. TOER Operation Serving 52 Wells (S-724-2-5)

Rule 4401 was adopted by the District Governing Board on April 19, 1991 and subsequently amended on September 19, 1991, December 17, 1992 and January 15, 1998. This version of rule exempted first 100 wells of small producer from requirements of this rule. This rule was amended on December 14, 2006 and again on June 16, 2011 and small producer exemption was removed, therefore permit unit S-724-2-5 is now subject to requirements of this rule.

Pursuant to Section 3.0: Definitions

The dripping of VOC-containing liquid or the detection of a concentration of total organic compound, above background, determined according to the test method specified in Section 6.3.3 that exceeds the values specified in Table 1, Section 3.20.2.1 and Section 3.20.2.2 of this rule. Any liquid or gas coming from a component undergoing repair or replacement, or during sampling of process fluid from a component into a container is not considered a leak provided such activities are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere.

Table 1 Gas Leak in ppmv as Methane				
Type of Component	Major Gas Leak	Minor Gas Leak		
1. PRDs	Greater than 10,000	400 to 10,000		
2. Components other than PRDs	Greater than 10,000	2,000 to 10,000		

A Major Liquid Leak is a visible mist or a continuous flow of liquid that is not seal lubricant. A Minor Liquid Leak is a liquid leak, except seal lubricant, that is not a major liquid leak and drips liquid at a rate of more than three drops per minute.

Condition 11 of the requirements for permit unit S-724-2-5 assures compliance with above requirements.

Section 5.1: Well Vents

An operator shall not operate a steam-enhanced crude oil production well unless either of the following two conditions are met: 1) The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids is connected to a VOC collection and control system as defined in Section 3.0 of this Rule, or 2) the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system that has a VOC collection and control system as defined in Section 3.0 of this Rule.

Conditions 3 and 12 of the requirements for permit unit S-724-2-5 assure compliance with above requirements.

Section 5.2: Leak Standards

- There shall be no open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations requiring process fluid flow through the open-ended lines. Attended operations include draining or degassing operations, connection of temporary process equipment, sampling of process streams, emergency venting, and other normal operational needs, provided such operations are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere.
- 2) There shall be no components with a major liquid leak as defined in Section 3.20.2.
- 3) There shall be no components with a gas leak of greater than 50,000 ppmv.
- 4) There shall be no more than a total of 8 component leaks, including minor liquid leaks, minor gas leaks or gas leaks between 10,000 ppmv and 50,000 ppmv.

Conditions 13 & 14 of the requirements for permit unit S-724-2-5 assure compliance with above requirements.

Section 5.3: Operating Requirements

- 1) No leaking components (as defined in Section 5.6.2) may be used unless they have been identified with a tag for repair, are repaired, or awaiting reinspection after being repaired within the applicable time frame specified in Section 5.9.
- 2) Each hatch shall be closed at all times except during attended repair, replacement, or maintenance operations, providing such activities are done as expeditiously as possible with minimal spillage or material and VOC emissions into the atmosphere.
- 3) The operator shall comply with the requirements of Section 6.7 if there is any change in the description of major components or critical components.

Conditions 15, 16 & 17 of the requirements for permit unit S-724-2-5 assure compliance with above requirements.

Section 5.4: Inspection and Re-inspection Requirements

- 1) Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 at least once every year.
- 2) An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of this rule.
- 3) In addition to the inspections required by Section 5.4.1, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows:
 - 1) An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week.
 - 2) Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of this rule.
- 4) In addition to the inspections required by Section 5.4.1, Section 5.4.2 and Section 5.4.3, an operator shall perform the following inspections:
 - An operator shall initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release. An operator shall re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection.
 - 2) An operator shall inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service.
 - 3) Except for PRDs subject to the requirements of Section 5.4.4.1, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced.
- <u>5.4.5</u> An operator shall inspect all unsafe-to-monitor components during each turnaround.

<u>5.4.6</u> A District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator.

Conditions 18 through 23 of the requirements for permit unit S-724-2-5 assure compliance with above requirements.

Section 5.5: Leak Repair Requirements

Upon detection of a leak, an operator shall affix a readily visible weatherproof tag to that leaking component that includes the following information: 1) The date and time of leak detection; 2) The date and time of the leak measurement; 3) For a gaseous leak, the leak concentration in ppmv; 4) For a liquid leak, whether it is a major or minor liquid leak; and 5) Whether the component is an essential component, and unsafe-to-monitor component, or a critical component.

The tag shall remain affixed to the leaky component until all the following requirements are met:

- 1) The component is repaired or replaced,
- 2) The component is re-inspected as set forth in Section 6.3, and
- 3) The component is found to be in compliance with this rule.

An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak.

Except for leaking critical components or leaking essential components subject to the requirements of Section 5.7.7, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0, an operator shall comply with at least one of the following three requirements as soon as practicable but not later than the time period specified in Table 3:

- 1) Repair or replace the leaking component,
- Vent the leaking component to a VOC collection and control system as defined in Section 3.0, or
- 3) Remove the leaking component from operation.

The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3. The time of the initial leak detection shall be the start of the repair period specified in Table 3.

If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier.

Conditions 24 through 31 of the requirements for permit unit S-724-2-5 assure compliance with above requirements.

Section 6.1: Recordkeeping and Submissions

The following records shall be retained for a period of five years and made available for District inspection upon request.

- 1) The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs.
- 2) A small producer shall maintain monthly records of county-specific crude oil production. For the purpose of this rule, the monthly crude oil production records required by the California Division of Oil, Gas, and Geothermal Resources may be used to satisfy Section 6.1.2.
- 3) An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0.
- 4) The inspection log maintained pursuant to Section 6.4.
- 5) Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration.
- 6) An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5.
- 7) An operator shall keep a copy of the APCO-approved Operator Management Plan at the facility.
- 8) An operator shall keep a list of all gauge tanks, as defined in Section 3.0. The list shall contain the size, identification number, the location of each

- gauge tank and specify whether the gauge tank is upstream of all front line production equipment.
- 9) The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing.
- 10)An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year.

Conditions 32 through 41 of the requirements for permit unit S-724-2-5 assure compliance with above requirements.

Pursuant to Section 6.2: Compliance Source Testing

An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. In addition, all tests required by Section 6.2 should be carried out pursuant to the test methods specified in Section 6.3.

As this operation does not utilize combustion equipment for the destruction of casing vapors, source testing is not required. The following conditions will ensure compliance with this section.

Conditions 42 & 43of the requirements for permit unit S-724-2-5 assure compliance with above requirements.

Section 6.3: Test Methods

- 1) The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the concentration must be below 50 ppmv, in which case EPA Method 25a may be used. EPA Method 18 may be used instead, providing the requirements under Section 6.3.1 are met.
- 2) VOC content shall be analyzed using the latest revision of ASTM Method E-168, E169 or E260 as applicable. Analysis of halogenated exempt compounds shall be performed using ARB Method 432.
- 3) Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using

an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface.

4) The VOC content by weight percent shall be determined using ASTM D1945 for gasses and SCAQMD Method 304-91 or the latest revision of ASTM Method E169, E169 or E260 for liquids. Conditions 44 through 47 of the requirements for permit unit S-724-2-5 assure compliance with above requirements.

Section 6.4: Inspection Log

The operator shall maintain an inspection log in which the operator records at least all of the following information for each inspection performed:

- 1) The total number of components inspected, and the total number and percentage of leaking components found by component type,
- 2) The location, type and name or description of each leaking component and description of any unit where the leaking component is found,
- 3) The date of leak detection and the method of leak detection,
- 4) For gaseous leaks, the leak concentration in ppmv and, for liquids leaks, whether the leak is major or minor,
- 5) The date of repair, replacement or removal from operation of leaking components,
- 6) The identity and location of essential components and critical components as defined in this Rule, found leaking, that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier,
- 7) The methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than 1 year after detection, whichever comes earlier,
- 8) The date or re-inspection and the leak concentration in ppmv after the component is repaired or replaced,
- 9) The inspectors name, business mailing address, and business telephone number, and
- 10) The date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log.

Condition 48 of the requirements for permit unit S-724-2-5 assures compliance with above requirements.

Section 6.5: Employee Training Program

The operator shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures as necessary.

Condition 49 of the requirements for permit unit S-724-2-5 assures compliance with above requirements.

Section 6.6: Operator Management Plan

By June 30, 2008, an operator whose existing wells are subject to this rule or whose existing wells are exempt pursuant to Section 4.0 of this rule on or before December 14, 2006 shall prepare and submit an Operator Management Plan for approval by the APCO. An operator may use diagrams, charts, spreadsheets, or other methods approved by the APCO to describe the information required by Section 6.6.4 through Section 6.6.7 below. The Operator Management Plan shall include, at a minimum, all of the following information:

- A description of all wells and all associated VOC collection and control systems subject to this rule, and all wells and all associated VOC collection and control systems that are exempt pursuant to Section 4.0 of this rule.
- 2) Identification and description of any known hazard that might affect the safety of an inspector,
- 3) Except for pipes, the number of components that are subject to this Rule by component type,
- Expect for pipes, the number and types of major components, inaccessible components, unsafe-to-monitor components, critical components, and essential components,
- 5) Except for pipes, the location of components subject to this Rule,
- 6) Except for pipes, components exempt pursuant to Section 4.8 (except for components buried below ground) may be described in the Operator Management Plan by grouping them functionally by process unit or facility description. The results of any laboratory testing or other pertinent information to demonstrate compliance with the applicable exemption criteria for components for which an exemption is being claimed pursuant to Sections 4.8 shall be submitted with the Operator Management Plan.

- 7) A detailed schedule of inspections of components to be conducted as required by this Rule and whether the operator inspections of components required by this Rule will be performed by a qualified contractor or inhouse team.
- 8) A description of training standards for personnel that inspect and repair components,
- 9) A description of leak detection training for conducting the test method specified in Section 6.3.3 for new operators, and experienced operators as necessary.

Condition 50 of the requirements for permit unit S-724-2-5 assures compliance with above requirements.

Section 6.7:

By January 30 of each year after 2008, an operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to an existing Operator Management Plan.

Condition 51 of the requirements for permit unit S-724-2-5 assures compliance with above requirements.

D. District Rule 4702, <u>Internal Combustion Engines</u>

a. 180 HP Diesel Fired IC Engine Driving Emergency Fire Pump (S-724-9-4)

Only Section 4.2 of this rule is applicable to Emergency Standby Engines.

In the latest amendments to this rule the language in Section 4.2 was amended to consolidate requirements for emergency standby and low-use engines. The language was streamlined for reader clarity. No changes to the existing requirements made to this section. Therefore, amendments to rule do not change requirements of permit unit S-724-9-4.

E. District Rule 4703, Stationary Gas Turbines

a. Cogeneration system with GE LM2500PE 250 MMBtu/hr gas-fired gas turbine engine, 22.1 MW gas & 7 MW steam turbine electrical generators, inlet air absorption chiller, water injection, unfired heat recovery steam generator, & Babcock-Hitachi SCR system (S-724-1-6)

In the latest amendment to this rule, Tier 3 NOx Limits (Section 5.1.3) was added for units no greater than 10 MW. Rule requirements for this permit unit are not affected by the amendment since this unit is 22.1 MW.

Section 5.1.2 requires that the owner or operator of any stationary gas turbine system shall not operate such unit under load conditions, excluding the thermal stabilization period or reduced load period, which results in the measured emissions concentration exceeding the applicable emission limits, according to the Tier 2 Compliance Schedules listed in Section 7.2.

In addition section 5.1.2.2 states that any stationary gas turbine system equipped with a NOx emission control device which results in emission reductions of at least 95%, shall be considered to meet the Tier 2 NOx Compliance Limit. Percent emission reductions, if used to comply with Section 5.1.2, shall be calculated as follows:

- For units with exhaust gas NOx control devices, percent reduction shall be calculated using emission samples taken at the inlet and outlet of the control device.
- For units without exhaust gas NOx control devices and for units with an exhaust gas NOx control device in combination with a second emission control device or technique, percent reduction shall be based on source test results for the uncontrolled unit and the unit after the control device(s) or technique(s) has been employed. When representative source sampling prior to the application of an emissions control technology or technique is not available, the APCO may approve the use of manufacturer's uncontrolled emissions information or source sampling from a similar, uncontrolled unit.

In February 14, 2003 letter to facility, District made determination that this gas turbine meeting NOx limit of 7.7 ppmv satisfies Tier 2 NOx compliance. Therefore it is reiterated that condition 20 of requirements for S-724-1-6 assure compliance with NOx requirements of this rule.

Section 5.2 requires that the owner or operator of any stationary gas turbine system shall not operate such unit under load conditions, excluding the thermal stabilization period and the reduced load period, which results in the measured CO emissions concentration exceeding the compliance limits. Condition 23 of requirements for permit unit S-0724-1-6, ensures compliance with CO this rule.

F. 40 CFR 60 Subpart KKKK - <u>Standards of Performance for Stationary Combustion Turbines</u>

The EPA promulgated this new NSPS that would apply to new stationary combustion turbines greater than or equal to 1 MW that commence construction, modification or reconstruction after February 18, 2005. The gas turbine permit unit S-724-1-6 was initially constructed before February 18,

2005 and not been modified or reconstructed since. Therefore requirements of this NSPS are not applicable.

G. 40 CFR 63 Subpart YYYY - <u>National Emission Standards for</u> Hazardous Air Pollutants for Stationary Combustion Turbines

This subpart applies to stationary combustion turbines that are located at a major source of HAP emissions is a contiguous site under common control that emits or has the potential to emit any single HAP at a rate of 10 tons (9.07 megagrams) or more per year or any combination of HAP at a rate of 25 tons (22.68 megagrams) or more per year.

As per District's Toxics Inventory, this facility is not major source of HAP emissions, requirements of this subpart does not apply.

H. 40 CFR Part 63, Subpart ZZZZ - <u>National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines</u>

a. 180 HP Diesel Fired IC Engine Driving Emergency Fire Pump (S-724-9-4)

The requirements of 40 CFR Part 63, Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines, are applicable to owners and operators of a stationary RICE located at a major or area source of HAP emissions. This facility is not a major source of HAP emissions and is therefore, by definition, and area source of HAP emissions. Therefore, the requirements of this subpart are applicable to this engine.

The subject engine was installed before 2006; therefore, as defined by Section 63.65.90(iii), this engine can be classified as existing stationary RICE. In accordance with Section 63.6595, the emission limitations and operating limits for existing stationary RICE at an area source of HAP emissions do not become applicable until May 1, 2013 for compression ignited engines. However, the requirements of this regulation will be included in this project for future reference.

§63.6603(a), states the owner or operator of an existing emergency stationary RICE located at an area source of HAP emissions must comply with the requirements listed in Table 2(d)(4) & (d)(5).

Table 2d - Requirements for Existing Stationary RICE Located at Area Sources:

The state of the s				
For each	You must meet the following requirements, except during periods of startup	During periods of startup you must		
4. Emergency stationary CI RICE and black start stationary CI RICE. ²	a. Change oil and filter every 500 hours of operation or annually, whichever comes first;	N/A		
black start stationary SI RICE; non- emergency, non-black start 4SLB stationary RICE >500 HP that operate 24 hours or less per calendar year; non-emergency, non- black start 4SRB stationary RICE	b. Inspect air cleaner every 1,000 hours of operation or annually, whichever comes first; and	N/A		
	c. Inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary.	N/A		

²If an emergency engine is operating during an emergency and it is not possible to shut down the engine in order to perform the management practice requirements on the schedule required in Table 2d of this subpart, or if performing the management practice on the required schedule would otherwise pose an unacceptable risk under Federal, State, or local law, the management practice can be delayed until the emergency is over or the unacceptable risk under Federal, State, or local law has abated. The management practice should be performed as soon as practicable after the emergency has ended or the unacceptable risk under Federal, State, or local law has abated. Sources must report any failure to perform the management practice on the schedule required and the Federal, State or local law under which the risk was deemed unacceptable.

The following condition will ensure compliance with the requirements of this section:

Permit units S-724-9-4

 {Effective May 3, 2013} The permittee shall change oil and filter every 500 hours of operation or annually, whichever comes first; inspect air cleaner every 1,000 hours of operation or annually, whichever comes first; and inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary. [40 CFR Part 63.6603(a)]

§63.6625(f), states the owner or operator of an existing emergency CI stationary RICE located at an area source of HAP emissions must install a non-resettable hour meter if one is not already installed.

Existing condition 3 of the requirements for permit units S-724-9-4 ensure compliance with requirements of this section.

§63.6625(f)(ii), states the owner or operator of an existing emergency CI stationary RICE located at an area source of HAP emissions may operate the emergency stationary RICE for the purpose of maintanence checks

and readiness testing, provided that the tests are recommended by Federal, State or local government, the manufacturer, the vendor, or the insurance company associated with the engine. Maintenance checks and readiness testing of such units is limited to 100 hours per year. The owner or operator may petition the Administrator for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if the owner or operator maintains records indicating that Federal, State, or local standards require maintenance and testing of emergency RICE beyond 100 hours per year.

Existing condition 6 of the requirements for permit units S-724-97-4 ensure compliance with requirements of this section.

§63.6625(h), states the owner or operator of an existing stationary RICE must minimize the engine's time spent at idle during start and minimze the engine's startup time to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the emission standards applicable to all time other than startup in Tables 1a, 2a, 2c, and 2d to this subpart apply.

The Table 2d applicable to existing stationary RICE located at area sources of HAP emissions does not specify any startup requirements for emergency engines.

§63.6640(f) applies to emergency stationary RICE. The facility shall operate the emergency stationary RICE according to the requirements in paragraphs (f)(1)(i) through (iii) of this section. Any operation other than emergency operation, maintenance and testing, and operation in non-emergency situations for 50 hours per year, as described in paragraphs (f)(1)(i) through (iii) of this section, is prohibited. If the facility does not operate the engine according to the requirements in paragraphs (f)(1)(i) through (iii) of this section, the engine will not be considered an emergency engine under this subpart and will need to meet all requirements for non-emergency engines.

Operation of these engines is restricted by District Rule 4702 to maintenance, testing, and required regulatory purposes, and during emergency situations. Therefore requirement of this section is pre-empted by requirements of District Rule 4702.

The operator must continuously comply with the emissions and operating limitations and work or management practices as required by the following:

Table 6 to Subpart ZZZZ of Part 63 - Continuous Compliance With Emission Limitations, Operating Limitations, Work Practices, and Management Practices

For each	Complying with the requirement to	You must demonstrate continuous compliance by
9. Existing emergency and black start stationary RICE located at an area source of HAP	Management practices	i. Operating and maintaining the stationary RICE according to the manufacturer's emission-related operation and maintenance instructions; or ii. Develop and follow your own maintenance plan which must provide to the extent practicable for the maintenance and operation of the engine in a manner consistent with good air pollution control practice for minimizing emissions.

Existing condition 8 of the requirements for permit units S-724-9-4 ensure compliance with requirements of this section.

§63.6655(a) states, the operator must keep the records described belows:

- (4) Records of all required maintenance performed on the air pollution control and monitoring equipment.
- (5) Records of actions taken during periods of malfunction to minimize emissions in accordance with §63.6605(b), including corrective actions to restore malfunctioning process and air pollution control and monitoring equipment to its normal or usual manner of operation.

§63.6655(d) states the operator must keep the records required in Table 6 of this subpart to show continuous compliance with each emission or operating limitation that appplies.

§63.6655(e) states the operator shall keep records of the maintenance conducted on the stationary RICE in order to demonstrate that the facility operated and maintained the statioary RICE and after-treatment control device (if any) according to the facility's own maintenance plan if the following stationary RICE are owned or operated:

- (2) An existing stationary emergency RICE.
- (3) An existing stationary RICE located at an area source of HAP emissions subject to management practices as shown in Table 2d to this subpart.

§63.6655(f) states that an owner or operator of any of an existing emergency stationary RICE located at an area source of HAP emissions that does not meet the standards applicable to non-emergency engines

shall keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. The owner or operator must document how many hours are spent for emergency operation, including what classified the operation as emergency and how many hours are spent for non-emergency operation. If the engines are used for demand response operation, the owner or operator must keep records of the notification of the emergency situation, and the time the engine was operated as part of demand response.

Existing condition 8 of the requirements for permit units S-724-7-4 ensure compliance with requirements of this section.

I. 40 CFR Part 64-CAM

40 CFR Part 64 requires Compliance Assurance Monitoring (CAM) for units that meet the following three criteria:

- 1) the unit must have an emission limit for the pollutant;
- 2) the unit must have add-on controls for the pollutant; these are devices such as flue gas recirculation (FGR), baghouses, and catalytic oxidizers; and
- the unit must have a pre-control potential to emit of greater than the major source thresholds.
- 1. S-0724-1-6: Cogeneration system with GE LM2500PE 250 MMBtu/hr gasfired gas turbine engine, 22.1 MW gas & 7 MW steam turbine electrical generators, inlet air absorption chiller, water injection, unfired heat recovery steam generator, & Babcock-Hitachi SCR system

If the permit unit is equipped with continuous emission monitors (CEMS) for the pollutants for which the facility is considered a Major Source, CAM is not applicable and the permit unit is exempt from CAM requirements. The conditions 5 through 10 of the requirements for permit unit S-724-1-6 that require the CEMs to be installed, calibrated, maintained, and require the data to be reported ensure that the permit unit will remain exempt from CAM requirements.

2. S-0724-2-5: Thermally enhanced oil recovery well vent vapor control system serving 52 steam enhanced wells with: up to 5 gas/liquid separators, up to 3 air-cooled heat exchangers, and a 54'X54'X6' emergency sump - Kern River Field

For oilfield tanks and wells, CAM is required if an emission unit is subject to emission limit or standard to the pollutant of concern, uses a control device to

comply with the emission limit or standard, and has a potential pre-control emissions greater than 10 ton/year.

While most tanks and wells equipped with a vapor control system include an emission limit or standard and have uncontrolled potential to emit greater than 10 ton/year, we have concluded that the vapor control systems that they are equipped with do not meet the criteria of control device as defined in 40 CFR part 64.

The definition of control device from 40 CFR Part 64 is as follows (emphasis added):

Control device means equipment, other than inherent process equipment, that is used to destroy or remove air pollutant(s) prior to discharge to the atmosphere. The types of equipment that may commonly be used as control devices include, but are not limited to, fabric filters, mechanical collectors, electrostatic precipitators, inertial separators, afterburners, thermal or catalytic incinerators, adsorption devices (such as carbon beds), condensers, scrubbers (such as wet collection and gas absorption devices), selective catalytic or non-catalytic reduction systems, flue gas recirculation systems, spray dryers, spray towers, mist eliminators, acid plants, sulfur recovery plants, injection systems (such as water, steam, ammonia, sorbent or limestone injection), and combustion devices independent of the particular process being conducted at an emissions unit (e.g., the destruction of emissions achieved by venting process emission streams to flares, boilers or process heaters). For purposes of this part, a control device does not include passive control measures that act to prevent pollutants from forming, such as the use of seals, lids, or roofs to prevent the release of pollutants, use of lowpolluting fuel or feedstocks, or the use of combustion or other process design features or characteristics. If an applicable requirement establishes that particular equipment which otherwise meets this definition of a control device does not constitute a control device as applied to a particular pollutantspecific emissions unit, then that definition shall be binding for purposes of this part.

It is important to note that this definition includes an exemption for "inherent process equipment. Inherent process equipment is by definition not a control device. Emission units equipped with inherent process equipment are not subject to the requirements of CAM.

40 CFR Part 64 defines inherent process equipment as (emphasis added):

Inherent process equipment means equipment that is necessary for the proper or safe functioning of the process, or material recovery equipment

that the owner or operator documents is installed and operated primarily for purposes other than compliance with air pollution regulations. Equipment that must be operated at an efficiency higher than that achieved during normal process operations in order to comply with the applicable emission limitation or standard is not inherent process equipment. For the purposes of this part, inherent process equipment is not considered a control device.

Please note that the above definition requires that inherent process equipment must be used "... for the proper or safe operation of the process ...". It is important to note that the equipment need not be used solely for the proper or safe operation of the process. Such systems could be used for compliance with regulations as well.

We have concluded that vapor control systems installed on oilfield tanks and oil production wells are inherent process equipment (and by definition not a control device) for the reasons stated below.

- Tank and well vapor control systems reduce emission of H2S (a toxic substance) from the tanks/wells and as such assure worker safety for OSHA and other regulatory requirements.
- Tank vapor control systems minimize air intrusion into the vapor space and as such reduces corrosion of the tank interior. Such systems are commonly installed even though they are not required to comply with District regulations. District Rule 4623 Storage of Organic Liquids does not require vapor control on storage tanks storing liquids with a true vapor pressure of less than 0.5 psia. Due to the relatively low actual emissions from such tanks, vapor control is typically not a Rule 2201 best available control technology (BACT) requirement for most heavy crude oil storage tanks. Even though not required by District rules, facilities commonly install vapor control on storage tanks for safety and corrosion prevention purposes.
- As stated above, facilities commonly install vapor control on tanks even though there is not an requirement to do so. Vapor control has historically been installed on crude oil production well vents as well prior to the requirement to install such controls. In fact, the District has issued emission reduction credits for the installation of well vent vapor control systems.
- Vapors collected by tank and well vapor control systems are commonly burned in multiple existing units, e.g. steam generators, in which useful energy is recovered. Steam generators, are used in oil production to

enhance oil recovery from production wells. The steam generators, wells and tanks (with their associated vapor control systems) are part of the overall process to thermally enhance oil production.

Such systems typically distribute the vapors to multiple steam generators (or other devices) for use as a fuel. The quantity of vapors from such vapor control systems combusted in a particular steam generator varies as the operational needs of the facility change. For example, vapors that are typically combusted in a given steam generator would d be burned in a different approved steam generator instead if the first steam generator is taken out of service.

For all of the reasons stated above, we believe that tank and well vapor control systems are truly inherent to the oil production process. As such we believe that these systems meet the criteria for "inherent process systems", and as such are not a control device for the purposes of CAM applicability.

3. S-0724-3-3: 50 barrel fixed roof wash tank #T-401 with vapor control system including vapor lines, gas blanketing lines, and up to 2 Hirt incinerators, shared with permit units S-724-2, -4, & -5

This unit has emissions limits for NO_X , SO_X , PM_{10} , CO and VOC. However, VOC is the only pollutant for which there is an add on control device. Therefore, uncontrolled emissions calculations will be performed for VOC only.

The maximum permitted VOC emissions from this unit is 1.2 lb-VOC/day. The control efficiency required by permit is 95%. Therefore, the uncontrolled emissions will be calculated as follows:

 $VOC (lb/yr) = 1.2 [lb-VOC/day] \div (1-0.95) \times 365 [days/yr] = 8,760 lb-VOC/yr$

This value is below the major source threshold for VOC of 20,000 lb-VOC/yr. Therefore, this unit is not subject to the requirement of CAM for VOC emissions.

4. S-0724-4-3: 1000 barrel fixed roof petroleum storage tank #F5395ST with vapor piping to vapor control listed on S-724-3

This unit has emissions limits for NO_X , SO_X , PM_{10} , CO and VOC. However, VOC is the only pollutant for which there is an add on control device. Therefore, uncontrolled emissions calculations will be performed for VOC only.

The maximum permitted VOC emissions from this unit is 1.2 lb-VOC/day. The control efficiency required by permit is 95%. Therefore, the uncontrolled emissions will be calculated as follows:

 $VOC (lb/yr) = 1.2 [lb-VOC/day] \div (1-0.95) \times 365 [days/yr] = 8,760 lb-VOC/yr$

This value is below the major source threshold for VOC of 20,000 lb-VOC/yr. Therefore, this unit is not subject to the requirement of CAM for VOC emissions.

5. S-0724-5-3: 1000 barrel fixed roof petroleum storage tank #ST5396ST with vapor piping to vapor control listed on S-724-3

This unit has emissions limits for NO_X , SO_X , PM_{10} , CO and VOC. However, VOC is the only pollutant for which there is an add on control device. Therefore, uncontrolled emissions calculations will be performed for VOC only.

The maximum permitted VOC emissions from this unit is 1.2 lb-VOC/day. The control efficiency required by permit is 95%. Therefore, the uncontrolled emissions will be calculated as follows:

 $VOC (lb/yr) = 1.2 [lb-VOC/day] \div (1-0.95) \times 365 [days/yr] = 8,760 lb-VOC/yr$

This value is below the major source threshold for VOC of 20,000 lb-VOC/yr. Therefore, this unit is not subject to the requirement of CAM for VOC emissions.

6. S-0724-9-2: 180 HP diesel-fired emergency IC engine/firewater pump

This unit has no emissions limit for any pollutant and there are no add on control devices associated with this unit. Therefore, this unit is not subject to CAM.

7. For the following permit units:S-0724-11-2: 1000 barrel fixed roof tank T-1003 and S-0724-19-2: 1500 barrel wash tank T402

There are no emissions limits for any pollutant listed on the permits for these units. Therefore, these units are not subject to CAM.

8. S-0724-42-2: 16,000 gpm counter flow wood cooling tower

There are no emissions limits for any pollutant listed on the permit for this unit. Therefore, this unit is not subject to CAM.

IX. PERMIT SHIELD

A permit shield legally protects a facility from enforcement of the shielded regulations when a source is in compliance with the terms and conditions of the Title V permit. Compliance with the terms and conditions of the Operating Permit is considered compliance with all applicable requirements upon which those conditions are based, including those that have been subsumed.

A. Requirements Addressed by Model General Permit Templates

1. Model General Permit Template SJV-UM-0-3

By submitting Model General Permit Template SJV-UM-0-3 qualification form, the applicant has requested that a permit shield be granted for all the applicable requirements identified by the template. Therefore, the permit shields as granted in Model General Permit Template are included as conditions 39 and 40 of the facility-wide requirements (S-724-0-3).

B. Requirements not Addressed by Model General Permit Templates

The applicant has not requested any permit shield other than as discussed above.

C. Obsolete Permit Shields From Existing Permit Requirements

This facility was granted a permit shield for District Rule 4703 sections 5.0, 5.1.1, 6.2.1, 6.2.4, 6.3, 6.4.1, 6.4.3, 6.4.5, and 6.4.6, at the time that the initial Title V permits were issued. Since Rule 4703 has been revised this permit shield is no longer valid and will be removed from the appropriate permits.

X. PERMIT CONDITIONS

See Attachment A - Draft Renewed Title V Operating Permit.

XI. ATTACHMENTS

- A. Draft Renewed Title V Operating Permit
- B. Previous Title V Operating Permit
- C. Detailed Facility List

ATTACHMENT A

Draft Renewed Title V Operating Permit

San Joaquin Valley Air Pollution Control District

FACILITY: S-724-0-3

EXPIRATION DATE 12/31/2009

FACILITY-WIDE REQUIREMENTS

- 1. {4362} The owner or operator shall notify the District of any breakdown condition as soon as reasonably possible, but no later than one hour after its detection, unless the owner or operator demonstrates to the District's satisfaction that the longer reporting period was necessary. [District Rule 1100, 6.1; County Rules 110 (Fresno, Stanislaus, San Joaquin); 109 (Merced); 113 (Madera); and 111 (Kern, Tulare, Kings)] Federally Enforceable Through Title V Permit
- 2. {4363} The District shall be notified in writing within ten days following the correction of any breakdown condition. The breakdown notification shall include a description of the equipment malfunction or failure, the date and cause of the initial failure, the estimated emissions in excess of those allowed, and the methods utilized to restore normal operations. [District Rule 1100, 7.0; County Rules 110 (Fresno, Stanislaus, San Joaquin); 109 (Merced); 113 (Madera); and 111 (Kern, Tulare, Kings)] Federally Enforceable Through Title V Permit
- 3. {4364} The owner or operator of any stationary source operation that emits more than 25 tons per year of nitrogen oxides or reactive organic compounds, shall provide the District annually with a written statement in such form and at such time as the District prescribes, showing actual emissions of nitrogen oxides and reactive organic compounds from that source. [District Rule 1160, 5.0] Federally Enforceable Through Title V Permit
- 4. {4365} Any person building, altering or replacing any operation, article, machine, equipment, or other contrivance, the use of which may cause the issuance of air contaminants or the use of which may eliminate, reduce, or control the issuance of air contaminants, shall first obtain an Authority to Construct (ATC) from the District unless exempted by District Rule 2020 (12/20/07). [District Rule 2010, 3.0 and 4.0; and 2020] Federally Enforceable Through Title V Permit
- 5. {4366} The permittee must comply with all conditions of the permit including permit revisions originated by the District. All terms and conditions of a permit that are required pursuant to the Clean Air Act (CAA), including provisions to limit potential to emit, are enforceable by the EPA and Citizens under the CAA. Any permit noncompliance constitutes a violation of the CAA and the District Rules and Regulations, and is grounds for enforcement action, for permit termination, revocation, reopening and reissuance, or modification; or for denial of a permit renewal application. [District Rules 2070, 7.0; 2080; and 2520, 9.9.1 and 9.13.1] Federally Enforceable Through Title V Permit
- 6. {4367} A Permit to Operate or an Authority to Construct shall not be transferred unless a new application is filed with and approved by the District. [District Rule 2031] Federally Enforceable Through Title V Permit
- 7. {4368} Every application for a permit required under Rule 2010 (12/17/92) shall be filed in a manner and form prescribed by the District. [District Rule 2040] Federally Enforceable Through Title V Permit
- 8. {4369} The operator shall maintain records of required monitoring that include: 1) the date, place, and time of sampling or measurement; 2) the date(s) analyses were performed; 3) the company or entity that performed the analysis; 4) the analytical techniques or methods used; 5) the results of such analysis; and 6) the operating conditions at the time of sampling or measurement. [District Rule 2520, 9.4.1] Federally Enforceable Through Title V Permit

FACILITY-WIDE REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate. Any amendments to these Facility-wide Requirements that affect specific Permit Units may constitute modification of those Permit Units.

Facility Name: DAI OILDALE INC.

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD, CA 5-724-0-3: Apr 12 2012 2:45PM -- SRANK

- 9. {4370} The operator shall retain records of all required monitoring data and support information for a period of at least 5 years from the date of the monitoring sample, measurement, or report. Support information includes copies of all reports required by the permit and, for continuous monitoring instrumentation, all calibration and maintenance records and all original strip-chart recordings. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 10. {4371} The operator shall submit reports of any required monitoring at least every six months unless a different frequency is required by an applicable requirement. All instances of deviations from permit requirements must be clearly identified in such reports. [District Rule 2520, 9.5.1] Federally Enforceable Through Title V Permit
- 11. {4372} Deviations from permit conditions must be promptly reported, including deviations attributable to upset conditions, as defined in the permit. For the purpose of this condition, promptly means as soon as reasonably possible, but no later than 10 days after detection. The report shall include the probable cause of such deviations, and any corrective actions or preventive measures taken. All required reports must be certified by a responsible official consistent with section 10.0 of District Rule 2520 (6/21/01). [District Rules 2520, 9.5.2 and 1100, 7.0] Federally Enforceable Through Title V Permit
- 12. {4373} If for any reason a permit requirement or condition is being challenged for its constitutionality or validity by a court of competent jurisdiction, the outcome of such challenge shall not affect or invalidate the remainder of the conditions or requirements in that permit. [District Rule 2520, 9.7] Federally Enforceable Through Title V Permit
- 13. {4374} It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit. [District Rule 2520, 9.8.2] Federally Enforceable Through Title V Permit
- 14. {4375} The permit may be modified, revoked, reopened and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance does not stay any permit condition. [District Rule 2520, 9.8.3] Federally Enforceable Through Title V Permit
- 15. {4376} The permit does not convey any property rights of any sort, or any exclusive privilege. [District Rule 2520, 9.8.4] Federally Enforceable Through Title V Permit
- 16. {4377} The Permittee shall furnish to the District, within a reasonable time, any information that the District may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the District copies of records required to be kept by the permit or, for information claimed to be confidential, the permittee may furnish such records directly to EPA along with a claim of confidentiality. [District Rule 2520, 9.8.5] Federally Enforceable Through Title V Permit
- 17. {4378} The permittee shall pay annual permit fees and other applicable fees as prescribed in Regulation III of the District Rules and Regulations. [District Rule 2520, 9.9] Federally Enforceable Through Title V Permit
- 18. {4379} Upon presentation of appropriate credentials, a permittee shall allow an authorized representative of the District to enter the permittee's premises where a permitted source is located or emissions related activity is conducted, or where records must be kept under condition of the permit. [District Rule 2520, 9.13.2.1] Federally Enforceable Through Title V Permit
- 19. {4380} Upon presentation of appropriate credentials, a permittee shall allow an authorized representative of the District to have access to and copy, at reasonable times, any records that must be kept under the conditions of the permit. [District Rule 2520, 9.13.2.2] Federally Enforceable Through Title V Permit
- 20. {4381} Upon presentation of appropriate credentials, a permittee shall allow an authorized representative of the District to inspect at reasonable times any facilities, equipment, practices, or operations regulated or required under the permit. [District Rule 2520, 9.13.2.3] Federally Enforceable Through Title V Permit
- 21. {4382} Upon presentation of appropriate credentials, a permittee shall allow an authorized representative of the District to sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with the permit or applicable requirements. [District Rule 2570, 9.13.2.4] Federally Enforceable Through Title V Permit

FACILITY-WIDE REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, E

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKER8FIELD, CA

- 22. {4383} No air contaminants shall be discharged into the atmosphere for a period or periods aggregating more than 3 minutes in any one hour which is as dark or darker than Ringelmann #1 or equivalent to 20% opacity and greater, unless specifically exempted by District Rule 4101 (02/17/05). If the equipment or operation is subject to a more stringent visible emission standard as prescribed in a permit condition, the more stringent visible emission limit shall supersede this condition. [District Rule 4101, and County Rules 401 (in all eight counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
- 23. {4384} No person shall manufacture, blend, repackage, supply, sell, solicit or apply any architectural coating with a VOC content in excess of the corresponding limit specified in Table of Standards 1 effective until 12/30/10 or Table of Standards 2 effective on and after 1/1/11 of District Rule 4601 (12/17/09) for use or sale within the District. [District Rule 4601, 5.1] Federally Enforceable Through Title V Permit
- 24. {4385} All VOC-containing materials subject to Rule 4601 (12/17/09) shall be stored in closed containers when not in use. [District Rule 4601, 5.4] Federally Enforceable Through Title V Permit
- 25. {4386} The permittee shall comply with all the Labeling and Test Methods requirements outlined in Rule 4601 sections 6.1 and 6.3 (12/17/09). [District Rule 4601, 6.1 and 6.3] Federally Enforceable Through Title V Permit
- 26. {4387} With each report or document submitted under a permit requirement or a request for information by the District or EPA, the permittee shall include a certification of truth, accuracy, and completeness by a responsible official. [District Rule 2520, 9.13.1 and 10.0] Federally Enforceable Through Title V Permit
- 27. {4388} If the permittee performs maintenance on, or services, repairs, or disposes of appliances, the permittee shall comply with the standards for Recycling and Emissions Reduction pursuant to 40 CFR Part 82, Subpart F. [40 CFR 82 Subpart F] Federally Enforceable Through Title V Permit
- 28. {4389} If the permittee performs service on motor vehicles when this service involves the ozone-depleting refrigerant in the motor vehicle air conditioner (MVAC), the permittee shall comply with the standards for Servicing of Motor Vehicle Air Conditioners pursuant to all the applicable requirements as specified in 40 CFR Part 82, Subpart B. [40] CFR Part 82, Subpart B] Federally Enforceable Through Title V Permit
- 29. {4390} Disturbances of soil related to any construction, demolition, excavation, extraction, or other earthmoving activities shall comply with the requirements for fugitive dust control in District Rule 8021 unless specifically exempted under Section 4.0 of Rule 8021 (8/19/2004) or Rule 8011 (8/19/2004). [District Rule 8021 and 8011] Federally Enforceable Through Title V Permit
- 30. {4391} Outdoor handling, storage and transport of any bulk material which emits dust shall comply with the requirements of District Rule 8031, unless specifically exempted under Section 4.0 of Rule 8031 (8/19/2004) or Rule 8011 (8/19/2004). [District Rule 8031 and 8011] Federally Enforceable Through Title V Permit
- 31. {4392} An owner/operator shall prevent or cleanup any carryout or trackout in accordance with the requirements of District Rule 8041 Section 5.0, unless specifically exempted under Section 4.0 of Rule 8041 (8/19/2004) or Rule 8011 (8/19/2004). [District Rule 8041 and 8011] Federally Enforceable Through Title V Permit
- 32. {4393} Whenever open areas are disturbed, or vehicles are used in open areas, the facility shall comply with the requirements of Section 5.0 of District Rule 8051, unless specifically exempted under Section 4.0 of Rule 8051 (8/19/2004) or Rule 8011 (8/19/2004). [District Rule 8051 and 8011] Federally Enforceable Through Title V Permit
- 33. {4394} Any paved road or unpaved road shall comply with the requirements of District Rule 8061 unless specifically exempted under Section 4.0 of Rule 8061 (8/19/2004) or Rule 8011 (8/19/2004). [District Rule 8061 and Rule 8011] Federally Enforceable Through Title V Permit

FACILITY-MIDE/REGUIRENTS CONTINUE ON NEXT PAGE These terms and conditions are path of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD, CA 2 2-45PM - SRANK Location:

- 34. {4395} Any unpaved vehicle/equipment area that anticipates more than 50 Average annual daily Trips (AADT) shall comply with the requirements of Section 5.1.1 of District Rule 8071. Any unpaved vehicle/equipment area that anticipates more than 150 vehicle trips per day (VDT) shall comply with the requirements of Section 5.1.2 of District Rule 8071. On each day that 25 or more VDT with 3 or more axles will occur on an unpaved vehicle/equipment traffic area, the owner/operator shall comply with the requirements of Section 5.1.3 of District Rule 8071. On each day when a special event will result in 1,000 or more vehicles that will travel/park on an unpaved area, the owner/operator shall comply with the requirements of Section 5.1.4 of District Rule 8071. All sources shall comply with the requirements of Section 5.0 of District Rule 8071 unless specifically exempted under Section 4.0 of Rule 8071 (9/16/2004) or Rule 8011 (8/19/2004). [District Rule 8071 and Rule 8011] Federally Enforceable Through Title V Permit
- 35. {4396} Any owner or operator of a demolition or renovation activity, as defined in 40 CFR 61.141, shall comply with the applicable inspection, notification, removal, and disposal procedures for asbestos containing materials as specified in 40 CFR 61.145 (Standard for Demolition and Renovation). [40 CFR 61 Subpart M] Federally Enforceable Through Title V Permit
- 36. {4397} The permittee shall submit certifications of compliance with the terms and standards contained in Title V permits, including emission limits, standards and work practices, to the District and the EPA annually (or more frequently as specified in an applicable requirement or as specified by the District). The certification shall include the identification of each permit term or condition, the compliance status, whether compliance was continuous or intermittent, the methods used for determining the compliance status, and any other facts required by the District to determine the compliance status of the source. [District Rule 2520, 9.16] Federally Enforceable Through Title V Permit
- 37. {4398} The permittee shall submit an application for Title V permit renewal to the District at least six months, but not greater than 18 months, prior to the permit expiration date. [District Rule 2520, 5.2] Federally Enforceable Through Title V Permit
- 38. {4399} When a term is not defined in a Title V permit condition, the definition in the rule cited as the origin and authority for the condition in a Title V permits shall apply. [District Rule 2520, 9.1.1] Federally Enforceable Through Title V Permit
- 39. {4400} Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following outdated SIP requirements: Rule 401 (Madera, Fresno, Kern, Kings, San Joaquin, Stanislaus, Tulare and Merced), Rule 110 (Fresno, Stanislaus, San Joaquin), Rule 109 (Merced), Rule 113 (Madera), Rule 111 (Kern, Tulare, Kings), and Rule 202 (Fresno, Kern, Tulare, Kings, Madera, Stanislaus, Merced, San Joaquin). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 40. {4401} Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following applicable requirements: SJVUAPCD Rules 1100, sections 6.1 and 7.0 (12/17/92); 2010, sections 3.0 and 4.0 (12/17/92); 2031 (12/17/92); 2040 (12/17/92); 2070, section 7.0 (12/17/92); 2080 (12/17/92); 4101 (2/17/05); 4601 (12/17/09); 8021 (8/19/2004); 8031 (8/19/2004); 8041 (8/19/2004); 8051 (8/19/2004); 8061 (8/19/2004); and 8071 (9/16/2004). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 41. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
- 42. To maintain status as a small producer, permittee's crude oil production shall average less than 6000 bbl/day from all operations within Kern County and permittee shall not engage in refining, transporting, or marketing of refined petroleum products. [District Rule 3020] Federally Enforceable Through Title V Permit
- 43. Operator shall maintain accurate monthly records of Gas-to-Oil Ratio (GOR) and API gravity of liquids produced showing that the facility exclusively processes, stores, or transfers black oil (as defined in 40 CFR 63.761). [40 CFR 63.10(b)] Federally Enforceable Through Title V Permit
- 44. When applicable to 40 CFR Part 68, a subject facility shall submit to the proper authority a Risk Management Plan when mandated by the regulation. [40 CFR Part 68] Federally Enforceable Through Title V Permit

FACILITY WIDE REQUIREMENTS CONTINUE ON NEXT PAGE These terms and donplitlons are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKER8FIELD, CA

45. The reporting periods for the Report of Required Monitoring and the Compliance Certification Report begin October 6 of every year, unless alternative dates are approved by the District Compliance Division. These reports are due within 30 days after the end of the reporting period. [District Rule 2520] Federally Enforceable Through Title V Permit

> These terms and conditions of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.
Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD
S-724-0-3: Apr 12 2012 2:45PM – SRANK

PERMIT UNIT: S-724-1-6

SECTION: NW06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

COGENERATION SYSTEM WITH GE LM2500PE 250 MMBTU/HR GAS-FIRED GAS TURBINE ENGINE, 22.1 MW GAS & 7 MW STEAM TURBINE ELECTRICAL GENERATORS, INLET AIR ABSORPTION CHILLER, WATER INJECTION, UNFIRED HEAT RECOVERY STEAM GENERATOR, & BABCOCK-HITACHI SCR SYSTEM

PERMIT UNIT REQUIREMENTS

- 1. Operator shall not discharge into the atmosphere combustion contaminants (PM) exceeding in concentration at the point of discharge, 0.1 gr/dscf. [District Rule 4201] Federally Enforceable Through Title V Permit
- 2. Exhaust stack shall be equipped with permanent provisions to allow collection of stack gas samples consistent with EPA test methods. [District Rule 1080] Federally Enforceable Through Title V Permit
- 3. System shall be equipped with operational temperature indicator installed at the SCR catalyst inlet, continuously recording fuel gas flowmeter, ammonia flowmeter, and ammonia injection pressure indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
- 4. Gas turbine engine combustor water injection system shall be equipped with continuously recording water-to-fuel injection rate monitoring system accurate to within 5%. [District NSR Rule] Federally Enforceable Through Title V Permit
- 5. The owner or operator shall install, certify, maintain, operate and quality-assure a Continuous Emission Monitoring System (CEMS) which continuously measures and records the exhaust gas NOx and O2 concentrations. [40 CFR 60.334(b) and District Rule 4703, 6.2.1] Federally Enforceable Through Title V Permit
- 6. The CEMS shall complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each successive 15-minute period or shall meet equivalent specifications established by mutual agreement of the District, the ARB and the EPA. [40 CFR 60.334(b)(2) and District Rule 1080, 6.4] Federally Enforceable Through Title V Permit
- 7. The NOx and O2 CEMS shall meet the requirements in 40 CFR 60, Appendix F Procedure 1 and Part 60, Appendix B Performance Specifications 2 and 3, or shall meet equivalent specifications established by mutual agreement of the District, the ARB, and the EPA. [40 CFR 60.334(b)(1) and, District Rule 1080, 6.3, 6.5, 6.6, & 7.2] Federally Enforceable Through Title V Permit
- 8. The CEMS shall be linked to a data logger which is compatible with the District's Data acquisition system. Upon notice by the District that the facility's CEM system is not providing polling data, the facility may continue to operate without providing automated data for a maximum of 30 days per calendar year provided the CEM data is sent to the District by a District-approved alternative method. [District Rule 1080, 7.1] Federally Enforceable Through Title V Permit
- 9. The owner or operator shall maintain CEMS records that contain the following: the occurrence and duration of any start-up, shutdown or malfunction, performance testing, evaluations, calibrations, checks, adjustments, maintenance, duration of any periods during which a continuous monitoring system or monitoring device is inoperative, and emission measurements. [40 CFR 60.7(b) and District Rule 1080, 17.3] Federally Enforceable Through Title V Permit

PERMIT UNIT REPUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.
Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSRIELD, CA S-724-1-6: Apr 12 2012 2-45PM - SRANK

- 10. The owner or operator shall submit a written report of CEM operations for each calendar quarter to the APCO. The report is due on the 30th day following the end of the calendar quarter and shall include the following: Time intervals, data and magnitude of excess NOx emissions, nature and the cause of excess (if known), corrective actions taken and preventive measures adopted; Averaging period used for data reporting corresponding to the averaging period specified in the emission test period used to determine compliance with an emission standard; Applicable time and date of each period during which the CEM was inoperative (monitor downtime), except for zero and span checks, and the nature of system repairs and adjustments; A negative declaration when no excess emissions occurred. [40 CFR 60.334(j), (j)(5) and District Rule 1080, 8.0] Federally Enforceable Through Title V Permit
- 11. Excess emissions shall be defined as any operating hour in which 4-hour rolling average NOx concentration exceeds applicable emissions limit and a period of monitor downtime shall be any unit operating hour in which sufficient data are not obtained to validate the hour for either NOx or O2 (or both). [40 CFR 60.334(J)(1)(iii)] Federally Enforceable Through Title V Permit
- 12. Gas turbine engine water injection rate shall be maintained at water-to-fuel ratio documented to result in compliance with emission limits. [District NSR Rule] Federally Enforceable Through Title V Permit
- 13. Gas turbine shall be shut down if water injection or SCR system is inoperative. [District NSR Rule] Federally Enforceable Through Title V Permit
- 14. APCO or an authorized representative shall be allowed to inspect, as determined to be necessary, the monitoring devices required by Rule 1080 to ensure that such devices are functioning properly. [District Rule 1080, 11.0] Federally Enforceable Through Title V Permit
- 15. Catalyst failure to perform as required due to catalyst poisoning or fouling shall not be recognized as basis for Rule 1100 enforcement exemption. [District NSR Rule] Federally Enforceable Through Title V Permit
- 16. The start up or shut down time during which the exhaust gas is not within the normal operating temperature range, not to exceed two hours. [District Rule 4703] Federally Enforceable Through Title V Permit
- 17. Unit shall be fired exclusively on PUC-regulated natural gas which has a sulfur content of less than or equal to 0.017% by weight. [40 CFR 60.333 (b); 60.332(a); Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
- 18. The sulfur content of each fuel source shall be: (i) documented in a valid purchase contract, a supplier certification, a tariff sheet or transportation contract or (ii) monitored weekly using ASTM Methods D4084, D5504, D6228, or Gas Processors Association Standard 2377. If sulfur content is less than 1.0 gr/100 scf for 8 consecutive weeks, then the Monitoring frequency shall be every six (6) months. If any six (6) month monitoring show an exceedance, weekly monitoring shall resume. [40 CFR 60.334(h)(3) and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 19. Gas turbine shall not burn more than 6.32 million SCF per day of natural gas. [District NSR Rule] Federally Enforceable Through Title V Permit
- 20. Oxides of Nitrogen (NOx) emissions shall not exceed 7.7 ppmvd at 15% O2. [District NSR Rule and District Rule 4703, 5.1.2] Federally Enforceable Through Title V Permit
- 21. Sulfur compounds emissions shall not exceed 0.32 lb/hr of SOx (as SO2). [District NSR Rule] Federally Enforceable Through Title V Permit
- 22. Particulate (PM10) emissions shall not exceed any of the following: 5.66 lb/hr in the turbine exhaust, or 0.58 lb/hr in the lube oil cooler/accumulator vents. [District NSR Rule] Federally Enforceable Through Title V Permit
- 23. Carbon Monoxide (CO) emissions shall not exceed 48 ppmvd @ 15% O2. [District NSR Rule and District Rule 4703, 5.2] Federally Enforceable Through Title V Permit
- 24. Volatile Organic Compounds (VOC) emissions shall not exceed 5.38 lb/hr in the turbine exhaust or 0.58 lb/hr in the lube oil cooler/accumulator vents. [District NSR Rule] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD, CA 5-724-1-8: Apr 12 2012 2-45PM - SRANK

- 25. NOx and CO emissions shall be measured by District-witnessed, or authorized, sample collection by an independent testing laboratory annually within 60 days prior to the anniversary of the permit issuance date. [District NSR Rule and District Rule 4703] Federally Enforceable Through Title V Permit
- 26. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
- 27. Official test results and field data shall be submitted to the District within 60 days after collection. [District Rule 1081] Federally Enforceable Through Title V Permit
- 28. Performance testing shall be conducted annually to measure NOx and CO emission concentrations using the following test methods: EPA Methods 7E or 20 for NOx emissions, EPA Methods 10 or 10B for CO emissions, EPA Methods 3, 3A, or 20 for Oxygen content of the exhaust gas. The 9-run tests shall be performed at the highest load of the gas turbine physically achievable on the date of the performance test. [40 CFR 60.335(a), (b)(7) and District Rule 4703, 6.3.1, 6.4.1, 6.4.2, & 6.4.3] Federally Enforceable Through Title V Permit
- 29. Ammonia injection rate shall be controlled to maintain ammonia "breakthrough" to less than 50 ppmvd. [District NSR Rule] Federally Enforceable Through Title V Permit
- 30. A violation of NOx emission standards indicated by the NOx CEM shall be reported by the operator to the APCO within 96 hours. [District Rule 1080, 9.0] Federally Enforceable Through Title V Permit
- 31. Operator shall notify the APCO no later than eight hours after the detection of a breakdown of the CEM. Operator shall inform the APCO of the intent to shut down the CEM at least 24 hours prior to the event. [District Rule 1080, 10.0] Federally Enforceable Through Title V Permit
- 32. Results of the CEM system shall be averaged over a three hour period, using consecutive 15-minute sampling periods in accordance with all applicable requirements of CFR 60.13. [40 CFR 60.13 and District Rule 4703, 5.1, 6.4] Federally Enforceable Through Title V Permit
- 33. Permittee shall maintain on file, copies of natural gas bills. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 34. Records of daily amount of fuel gas consumption shall be maintained on the premises for a period of at least five years and shall be made readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
- 35. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation, and quantity of fuel used. [District Rule 4703, 6.2.6] Federally Enforceable Through Title V Permit
- 36. The operator of a stationary gas turbine system 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, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERS 5-724-1-6: Apr 12 2012 2,45PM – SRANK

PERMIT UNIT: S-724-2-5

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

THERMALLY ENHANCED OIL RECOVERY WELL VENT VAPOR CONTROL SYSTEM SERVING 52 STEAM ENHANCED WELLS WITH: UP TO 5 GAS/LIQUID SEPARATORS, UP TO 3 AIR-COOLED HEAT EXCHANGERS, AND 54'X54'X6' EMERGENCY SUMP - KERN RIVER FIELD

PERMIT UNIT REQUIREMENTS

- Fugitive components installed for 38 new wells authorized by ATC 4188002B shall not exceed 114 ball valves and 78 unions. [District NSR Rule] Federally Enforceable Through Title V Permit
- Well vapors shall vent only to the Hirt incinerator(s) listed in permit S-724-3. [District NSR Rule] Federally Enforceable Through Title V Permit
- Total uncontrolled VOC emissions from all well vents shall be reduced by at least 99%. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
- All wells served by vapor collection system shall be shut in and shall not vent to the atmosphere in event of failure of incineration system. [District NSR Rule] Federally Enforceable Through Title V Permit
- All components of well vent vapor collection and control systems shall be maintained in good working condition. [District NSR Rule] Federally Enforceable Through Title V Permit
- The number of leaks from the vapor collection and control system, including condensate handling, shall not exceed 8 leaks at any one time. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
- 7. VOC emission rate shall not exceed 5.2 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
- A listing of all steam enhanced wells connected to this system shall be submitted to the District at least 60 days prior to the permit anniversary date. [District NSR Rule] Federally Enforceable Through Title V Permit
- {1294} The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
- 10. Permittee shall annually submit monthly records of sump use showing days of operation. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 11. {4272} Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401 3.20] Federally Enforceable Through Title V Permit

PERMIT UNIT REQ These terms and condit part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSPIELD, CA

- 12. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steamenhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401, 5.1.1 and 5.1.2] Federally Enforceable Through Title V Permit
- 13. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.3 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401 5.2.2.1] Federally Enforceable Through Title V Permit
- 14. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.3 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401 5.2.2.4] Federally Enforceable Through Title V **Permit**
- 15. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401 5.3.1] Federally Enforceable Through Title V Permit
- 16. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401 5.3.2] Federally Enforceable Through Title V Permit
- 17. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401 5.3.3] Federally Enforceable Through Title V Permit
- 18. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401 5.4.1] Federally Enforceable Through Title V Permit
- 19. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401 5.4.2] Federally Enforceable Through Title V Permit
- 20. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 4 of Rule 4401. [District Rule 4401 5.4.3] Federally Enforceable Through Title V Permit

PERMIT LINIT/REQUIREMENTS CONTINUE ON NEXT PAGE These terms and conditions part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD, CA

Location:

- 21. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401 5.4.4] Federally Enforceable Through Title V Permit
- 22. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401 5.4.5] Federally Enforceable Through Title V Permit
- 23. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401 5.4.6] Federally Enforceable Through Title V Permit
- 24. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401 5.5.1] Federally Enforceable Through Title V Permit
- 25. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, of Rule 4401, or the component is found to be in compliance with the requirements of this rule. [District Rule 4401 5.5.2] Federally Enforceable Through Title V Permit
- 26. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401 5.5.3] Federally Enforceable Through Title V Permit
- 27. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401; Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit
- 28. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit
- 29. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.5] Federally Enforceable Through Title V Permit
- 30. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.6] Federally Enforceable Through Title V Permit
- 31. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401 5.5.7] Federally Enforceable Through Title V Permit
- 32. {4293} The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401 6.1.1] Federally Enforceable Through Title V Permit

REQUIREMENTS CONTINUE ON NEXT PAGE PERMIT UNIX are part of the Facility-wide Permit to Operate. These terms and conditions

Facility Name: DAI OILDALE INC.

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD, CA 5-724-2-5. Apr 12 2012 245PM - SRANK

- 33. {4294} A small producer shall maintain monthly records of county-specific crude oil production. For the purpose of this rule, the monthly crude oil production records required by the California Division of Oil, Gas, and Geothermal Resources may be used to satisfy Section 6.1.2 or Rule 4401. [District Rule 4401 6.1.2] Federally Enforceable Through Title V Permit
- 34. {4295} An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401 6.1.3] Federally Enforceable Through Title V Permit
- 35. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401 6.1.4] Federally Enforceable Through Title V Permit
- 36. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401 6.1.5] Federally Enforceable Through Title V Permit
- 37. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401 6.1.6] Federally Enforceable Through Title V Permit
- 38. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401 6.1.7] Federally Enforceable Through Title V Permit
- 39. Operator shall keep a list of all gauge tanks, as defined in Section 3.0. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401 6.1.8] Federally Enforceable Through Title V Permit
- 40. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing. [District Rule 4401 6.1.9] Federally Enforceable Through Title V Permit
- 41. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401 6.1.10] Federally Enforceable Through Title V Permit
- 42. {4304} An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. [District Rule 4401 6.2.1] Federally Enforceable Through Title V Permit
- 43. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.0 of Rule 4401: Conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.9 of Rule 4401. [District Rule 4401 6.2.3] Federally Enforceable Through Title V Permit
- 44. {4309} The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401 6.3.1] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD, CA 5-724-2-5; Apr 12 2012 2:45PM - SRANK

- 45. {4310} VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401 6.3.2] Federally Enforceable Through Title V Permit
- 46. {4311} Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401 6.3.3] Federally Enforceable Through Title V Permit
- 47. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401 6.3.4] Federally Enforceable Through Title V Permit
- 48. {4313} Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401 6.4] Federally Enforceable Through Title V Permit
- 49. Operator shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401, 6.5] Federally Enforceable Through Title V Permit
- 50. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401] Federally Enforceable Through Title V Permit
- 51. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] Federally Enforceable Through Title V Permit
- 52. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4401 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Section 4.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
- 53. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4401] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.
Location: HEAVY OIL CENTE

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERS

PERMIT UNIT: S-724-3-4

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

750 BBL FIXED ROOF WASH TANK #T-401 WITH VAPOR CONTROL SYSTEM INCLUDING VAPOR LINES, GAS BLANKETING LINES, AND UP TO 2 HIRT INCINERATORS, SHARED WITH PERMIT UNITS S-724-2, -4, & -5

PERMIT UNIT REQUIREMENTS

- Tank vapors shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
- Hirt incinerators shall be equipped with 5,000 volt spark ignition system and alternate fuel (propane) system. [District NSR Rule] Federally Enforceable Through Title V Permit
- Hirt incinerators shall be equipped with vapor flow monitor, combustion chamber temperature monitor, and propane flow monitor. [District NSR Rule] Federally Enforceable Through Title V Permit
- Vapor flow to each Hirt incinerator shall not exceed 2.5 scfm. [District NSR Rule] Federally Enforceable Through Title V Permit
- Hirt incinerator combustion chamber temperature shall be maintained at no less than 1170 F. [District NSR Rule] Federally Enforceable Through Title V Permit
- True vapor pressure of liquids introduced or stored in tank shall not exceed 1.0 psia. [District NSR Rule] Federally 6. Enforceable Through Title V Permit
- Tank throughput shall not exceed 990 bbl oil/day. [District NSR Rule] Federally Enforceable Through Title V Permit 7.
- Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- Emission rate from permits S-724-3, -4, and -5 shall not exceed PM10: 0.0 lb/day, SOx (as SO2): 0.4 lb/day, NOx (as NO2): 0.4 lb/day, VOC: 1.2 lb/day, and CO: 0.1 lb/day, [District NSR Rule] Federally Enforceable Through Title V **Permit**
- 10. Permittee shall keep records of daily throughput, storage temperature, and Reid vapor pressure for a period of five years and make such records readily available for District inspection upon request. [District Rule 1070 and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 11. Incinerator outlet shall be inspected weekly while in operation for visible emissions. If excessive visible emissions are observed, appropriate action shall be taken. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 12. 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, 9.4.2] Federally Enforceable Through Title V Permit
- 13. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Pixle V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE are part of the Facility-wide Permit to Operate. These terms and conditions

Facility Name: DAI OILDALE INC.

HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERS RIELD, CA Location:

S-724-3-4 : Apr 12 2012 2:45PM - SRANK

- 14. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
- 15. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 16. Records of control system maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL,NW 06, T29S, R28E,BA

PERMIT UNIT: S-724-4-4

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #F5395ST WITH VAPOR PIPING TO VAPOR CONTROL

SYSTEM LISTED ON S-724-3

PERMIT UNIT REQUIREMENTS

- Tank vapors shall vent to only vapor control system. [District NSR Rule] Federally Enforceable Through Title V
 Permit
- 2. True vapor pressure of liquids introduced or stored in tank shall not exceed 1.0 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
- 3. Tank throughput shall not exceed 990 bbl oil/day. [District NSR Rule] Federally Enforceable Through Title V Permit
- 4. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- 5. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
- 6. Permittee shall keep records of throughput, storage temperature, and Reid vapor pressure for a period of five years and make such records readily available for District inspection upon request. [District Rule 1070 and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 7. Incinerator outlet shall be inspected weekly while in operation for visible emissions. If excessive visible emissions are observed, appropriate action shall be taken. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 8. 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, 9.4.2] Federally Enforceable Through Title V Permit
- 9. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 10. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 11. Records of control system maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

S-724-4-4 : Apr 12 2012 2:45PM -- SRANK

PERMIT UNIT: S-724-5-4

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #ST5396ST WITH VAPOR PIPING TO VAPOR CONTROL

SYSTEM LISTED ON S-724-3

PERMIT UNIT REQUIREMENTS

- Tank vapors shall vent to only vapor control system. [District NSR Rule] Federally Enforceable Through Title V 1. Permit
- True vapor pressure of liquids introduced or stored in tank shall not exceed 1.0 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
- Tank throughput shall not exceed 990 bbl oil/day. [District NSR Rule] Federally Enforceable Through Title V Permit 3.
- Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] 4. Federally Enforceable Through Title V Permit
- Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
- Permittee shall keep records of throughput, storage temperature, and Reid vapor pressure for a period of five years and make such records readily available for District inspection upon request. [District Rule 1070 and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- Incinerator outlet shall be inspected weekly while in operation for visible emissions. If excessive visible emissions are observed, appropriate action shall be taken. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 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, 9.4.2] Federally Enforceable Through Title V Permit
- Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 10. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V **Permit**
- 11. Records of control system maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions adility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD Location:

PERMIT UNIT: S-724-9-4

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

180 BHP DIESEL-FIRED EMERGENCY IC ENGINE POWERING A FIREWATER PUMP

PERMIT UNIT REQUIREMENTS

- Particulate matter emissions shall not exceed 0.1 gr/dscf in concentration at the point of discharge. [District Rule 4201] Federally Enforceable Through Title V Permit
- This engine shall be operated exclusively to preserve or protect property, human life, or public health during a disaster 2. or state of emergency. [District Rule 4702, 4.3.1.1] Federally Enforceable Through Title V Permit
- This engine shall be equipped with a nonresettable elapsed operating time meter or other APCO approved alternative. 3. [District Rule 4702, 4.3 and 17 CCR 93115] Federally Enforceable Through Title V Permit
- Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 4. and 4801, and 17 CCR 93115] Federally Enforceable Through Title V Permit
- This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702 and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
- This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. For testing purposes, the engine shall only be operated the number of hours necessary to comply with the testing requirements of the National Fire Protection Association (NFPA) 25 - "Standard for the Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems", 1998 edition. Total hours of operation for all maintenance, testing, and required regulatory purposes shall not exceed 100 hours per calendar year. [District Rule 4702, 17 CCR 93115, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
- An emergency situation is an unscheduled event caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702] Federally Enforceable Through Title V Permit
- The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, and the purpose of the operation (for example: load testing, weekly testing, emergency fire fighting, etc.). For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702, 17 CCR 93115, and 40 CFR 63 Subpart ZZZZ] Federally Enforceable Through Title V Permit
- 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 Rule 4702 and 17 CCR 93115] Federally Enforceable Through Title V Permit

PERMIT UNIT REQ These terms and condition

Facility Name: DAI OILDALE INC. HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSHIELD, CA

- 10. Effective May 3, 2013, The permittee shall change oil and filter every 500 hours of operation or annually, whichever comes first; inspect air cleaner every 1,000 hours of operation or annually, whichever comes first; and inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary. [40 CFR Part 63.6603(a)] Federally Enforceable Through Title V Permit
- 11. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Kern County Rule 404. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 12. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4801; Kern County Rule 407. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

PERMIT UNIT: S-724-11-3

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

1000 BARREL FIXED ROOF TANK T-1003

EXPIRATION DAILE 12/31/2009

PERMIT UNIT REQUIREMENTS

- 1. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- 2. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
- 3. 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 4623] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.
Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERS FIELD
5:724-11-3: Apr 12 2012 2469M = 98ANA

PERMIT UNIT: S-724-19-3

SECTION: 06 TOWNSHIP: 298 RANGE: 28E

EQUIPMENT DESCRIPTION: 1500 BARREL WASH TANK T-402

PERMIT UNIT REQUIREMENTS

- Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
- 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 4623] Federally Enforceable Through Title V Permit

These terms and conditions adility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD S-724-19-3: Apr 12 2012 2.48PM - SRANK

PERMIT UNIT: S-724-42-3

SECTION: NW06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

16,000 GPM COUNTER FLOW WOOD COOLING TOWER

PERMIT UNIT REQUIREMENTS

- Permittee shall comply with all applicable requirements of Rule 7012. [District Rule 7012] 1.
- No hexavalent chromium containing compounds shall be added to cooling tower circulating water. [District Rule 7012, Section 5.2.1]
- The requirements of 40 CFR 63, Subpart Q do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

These terms and conditions adility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.

Location: HEAVY OIL CENTRAL, NW 06, T29S, R28E, BAKERSFIELD

ATTACHMENT B Previous Title V Operating Permit

FACILITY: S-724-0-2 EXPIRATION DATE: 12/31/2009

FACILITY-WIDE REQUIREMENTS

- 1. The owner or operator shall notify the District of any breakdown condition as soon as reasonably possible, but no later than one hour after its detection, unless the owner or operator demonstrates to the District's satisfaction that the longer reporting period was necessary. [District Rule 1100, 6.1; County Rules 110 (Fresno, Stanislaus, San Joaquin); 109 (Merced); 113 (Madera); and 111 (Kern, Tulare, Kings)] Federally Enforceable Through Title V Permit
- 2. The District shall be notified in writing within ten days following the correction of any breakdown condition. The breakdown notification shall include a description of the equipment malfunction or failure, the date and cause of the initial failure, the estimated emissions in excess of those allowed, and the methods utilized to restore normal operations. [District Rule 1100, 7.0; County Rules 110 (Fresno, Stanislaus, San Joaquin); 109 (Merced); 113 (Madera); and 111 (Kern, Tulare, Kings)] Federally Enforceable Through Title V Permit
- 3. The owner or operator of any stationary source operation that emits more than 25 tons per year of nitrogen oxides or reactive organic compounds, shall provide the District annually with a written statement in such form and at such time as the District prescribes, showing actual emissions of nitrogen oxides and reactive organic compounds from that source. [District Rule 1160, 5.0] Federally Enforceable Through Title V Permit
- 4. Any person building, altering or replacing any operation, article, machine, equipment, or other contrivance, the use of which may cause the issuance of air contaminants or the use of which may eliminate, reduce, or control the issuance of air contaminants, shall first obtain an Authority to Construct (ATC) from the District unless exempted by District Rule 2020 (3/21/02). [District Rule 2010, 3.0 and 4.0; and 2020] Federally Enforceable Through Title V Permit
- 5. The permittee must comply with all conditions of the permit including permit revisions originated by the District. All terms and conditions of a permit that are required pursuant to the Clean Air Act (CAA), including provisions to limit potential to emit, are enforceable by the EPA and Citizens under the CAA. Any permit noncompliance constitutes a violation of the CAA and the District Rules and Regulations, and is grounds for enforcement action, for permit termination, revocation, reopening and reissuance, or modification; or for denial of a permit renewal application. [District Rules 2070, 7.0; 2080; and 2520, 9.8.1 and 9.12.1] Federally Enforceable Through Title V Permit
- 6. A Permit to Operate or an Authority to Construct shall not be transferred unless a new application is filed with and approved by the District. [District Rule 2031] Federally Enforceable Through Title V Permit
- 7. Every application for a permit required under Rule 2010 (12/17/92) shall be filed in a manner and form prescribed by the District. [District Rule 2040] Federally Enforceable Through Title V Permit
- 8. The operator shall maintain records of required monitoring that include: 1) the date, place, and time of sampling or measurement; 2) the date(s) analyses were performed; 3) the company or entity that performed the analysis; 4) the analytical techniques or methods used; 5) the results of such analysis; and 6) the operating conditions at the time of sampling or measurement. [District Rule 2520, 9.4.1] Federally Enforceable Through Title V Permit
- 9. The operator shall retain records of all required monitoring data and support information for a period of at least 5 years from the date of the monitoring sample, measurement, or report. Support information includes copies of all reports required by the permit and, for continuous monitoring instrumentation, all calibration and maintenance records and all original strip-chart recordings. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

FACILITY-WIDE REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate. Any amendments to these Facility-wide Requirements that affect specific Permit Units may constitute modification of those Permit Units.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA 8-724-0-2: Apr 10 2012 11:30AM – SRANK

- 10. The operator shall submit reports of any required monitoring at least every six months unless a different frequency is required by an applicable requirement. All instances of deviations from permit requirements must be clearly identified in such reports. [District Rule 2520, 9.5.1] Federally Enforceable Through Title V Permit
- 11. Deviations from permit conditions must be promptly reported, including deviations attributable to upset conditions, as defined in the permit. For the purpose of this condition, promptly means as soon as reasonably possible, but no later than 10 days after detection. The report shall include the probable cause of such deviations, and any corrective actions or preventive measures taken. All required reports must be certified by a responsible official consistent with section 10.0 of District Rule 2520 (6/21/01), [District Rules 2520, 9.5.2 and 1100, 7.0] Federally Enforceable Through Title V Permit
- 12. If for any reason a permit requirement or condition is being challenged for its constitutionality or validity by a court of competent jurisdiction, the outcome of such challenge shall not affect or invalidate the remainder of the conditions or requirements in that permit. [District Rule 2520, 9.7] Federally Enforceable Through Title V Permit
- 13. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit. [District Rule 2520, 9.8.2] Federally Enforceable Through Title V Permit
- 14. The permit may be modified, revoked, reopened and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance does not stay any permit condition. [District Rule 2520, 9.8.3] Federally Enforceable Through Title V Permit
- 15. The permit does not convey any property rights of any sort, or any exclusive privilege. [District Rule 2520, 9.8.4] Federally Enforceable Through Title V Permit
- 16. The Permittee shall furnish to the District, within a reasonable time, any information that the District may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the District copies of records required to be kept by the permit or, for information claimed to be confidential, the permittee may furnish such records directly to EPA along with a claim of confidentiality. [District Rule 2520, 9.8.5] Federally Enforceable Through Title V Permit
- 17. The permittee shall pay annual permit fees and other applicable fees as prescribed in Regulation III of the District Rules and Regulations. [District Rule 2520, 9.9] Federally Enforceable Through Title V Permit
- 18. Upon presentation of appropriate credentials, a permittee shall allow an authorized representative of the District to enter the permittee's premises where a permitted source is located or emissions related activity is conducted, or where records must be kept under condition of the permit. [District Rule 2520, 9.13.2.1] Federally Enforceable Through Title V Permit
- 19. Upon presentation of appropriate credentials, a permittee shall allow an authorized representative of the District to have access to and copy, at reasonable times, any records that must be kept under the conditions of the permit. [District Rule 2520, 9.13.2.2] Federally Enforceable Through Title V Permit
- 20. Upon presentation of appropriate credentials, a permittee shall allow an authorized representative of the District to inspect at reasonable times any facilities, equipment, practices, or operations regulated or required under the permit. [District Rule 2520, 9.13.2.3] Federally Enforceable Through Title V Permit
- 21. Upon presentation of appropriate credentials, a permittee shall allow an authorized representative of the District to sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with the permit or applicable requirements. [District Rule 2520, 9.13.2.4] Federally Enforceable Through Title V Permit
- 22. No air contaminants shall be discharged into the atmosphere for a period or periods aggregating more than 3 minutes in any one hour which is as dark or darker than Ringelmann #1 or equivalent to 20% opacity and greater, unless specifically exempted by District Rule 4101 (11/15/01). If the equipment or operation is subject to a more stringent visible emission standard as prescribed in a permit condition, the more stringent visible emission limit shall supersede this condition. [District Rule 4101] Federally Enforceable Through Title V Permit

FACILITY-WIDE REQUIREMENTS CONTINUE ON NEXT PAGE These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA 5-724-0-2: Apr 10 2012 11:30AM - SRANK

- 23. No person shall manufacture, blend, repackage, supply, sell, solicit or apply any architectural coating with a VOC content in excess of the corresponding limit specified in the Table of Standards of District Rule 4601 (10/31/01) for use or sale within the District. [District Rule 4601, 5.1] Federally Enforceable Through Title V Permit
- 24. All VOC-containing materials for architectural coatings subject to Rule 4601 (10/31/01) shall be stored in closed containers when not in use. [District Rule 4601, 5.4] Federally Enforceable Through Title V Permit
- 25. The permittee shall comply with all the Labeling and Test Methods requirements outlined in Rule 4601 sections 6.1 and 6.3 (10/31/01). [District Rule 4601, 6.1 and 6.3] Federally Enforceable Through Title V Permit
- 26. With each report or document submitted under a permit requirement or a request for information by the District or EPA, the permittee shall include a certification of truth, accuracy, and completeness by a responsible official. [District Rule 2520, 9.13.1 and 10.0] Federally Enforceable Through Title V Permit
- 27. If the permittee performs maintenance on, or services, repairs, or disposes of appliances, the permittee shall comply with the standards for Recycling and Emissions Reduction pursuant to 40 CFR 82, Subpart F. [40 CFR 82 Subpart F] Federally Enforceable Through Title V Permit
- 28. If the permittee performs service on motor vehicles when this service involves the ozone-depleting refrigerant in the motor vehicle air conditioner (MVAC), the permittee shall comply with the standards for Servicing of Motor Vehicle Air Conditioners pursuant to all the applicable requirements as specified in 40 CFR 82, Subpart B [40 CFR 82, Subpart B] Federally Enforceable Through Title V Permit
- 29. Disturbances of soil related to any construction, demolition, excavation, extraction, or other earthmoving activities shall comply with the requirements for fugitive dust control in District Rule 8021 unless specifically exempted under Section 4.0 of Rule 8021 (11/15/01) or Rule 8011 (11/15/01). [District Rule 8021 and 8011] Federally Enforceable Through Title V Permit
- 30. Outdoor handling, storage and transport of any bulk material which emits dust shall comply with the requirements of District Rule 8031, unless specifically exempted under Section 4.0 of Rule 8031 (11/15/01) or Rule 8011 (11/15/01). [District Rule 8031 and 8011] Federally Enforceable Through Title V Permit
- 31. An owner/operator shall prevent or cleanup any carryout or trackout in accordance with the requirements of District Rule 8041 Section 5.0, unless specifically exempted under Section 4.0 of Rule 8041 (11/15/01) or Rule 8011 (11/15/01). [District Rule 8041 and 8011] Federally Enforceable Through Title V Permit
- 32. Whenever open areas are disturbed or vehicles are used in open areas, the facility shall comply with the requirements of Section 5.0 of District Rule 8051, unless specifically exempted under Section 4.0 of Rule 8051 (11/15/01) or Rule 8011 (11/15/01). [District Rule 8051 and 8011] Federally Enforceable Through Title V Permit
- 33. Any paved road or unpaved road shall comply with the requirements of District Rule 8061 unless specifically exempted under Section 4.0 of Rule 8061 (11/15/01) or Rule 8011 (11/15/01). [District Rule 8061 and Rule 8011] Federally Enforceable Through Title V Permit
- 34. Any unpaved vehicle/equipment area that anticipates more than 75 vehicle trips per day shall comply with the requirements of Section 5.1.1 of District Rule 8071. Any unpaved vehicle/equipment area that anticipates more than 100 vehicle trips per day shall comply with the requirements of Section 5.1.2 of District Rule 8071. All sources shall comply with the requirements of Section 5.0 of District Rule 8071 unless specifically exempted under Section 4.0 of Rule 8071 (11/15/01) or Rule 8011 (11/15/01). [District Rule 8071 and Rule 8011] Federally Enforceable Through Title V Permit
- 35. Any owner or operator of a demolition or renovation activity, as defined in 40 CFR 61.141, shall comply with the applicable inspection, notification, removal, and disposal procedures for asbestos containing materials as specified in 40 CFR 61.145 (Standard for Demolition and Renovation). [40 CFR 61 Subpart M] Federally Enforceable Through Title V Permit

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA 8-724-0-2: Apr 10 2012 11:30AM – SRANK

- 36. The permittee shall submit certifications of compliance with the terms and standards contained in Title V permits, including emission limits, standards and work practices, to the District and the EPA annually (or more frequently as specified in an applicable requirement or as specified by the District). The certification shall include the identification of each permit term or condition, the compliance status, whether compliance was continuous or intermittent, the methods used for determining the compliance status, and any other facts required by the District to determine the compliance status of the source. [District Rule 2520, 9.16] Federally Enforceable Through Title V Permit
- 37. The permittee shall submit an application for Title V permit renewal to the District at least six months, but not greater than 18 months, prior to the permit expiration date. [District Rule 2520, 5.2] Federally Enforceable Through Title V Permit
- 38. When a term is not defined in a Title V permit condition, the definition in the rule cited as the origin and authority for the condition in a Title V permits shall apply. [District Rule 2520, 9.1.1] Federally Enforceable Through Title V Permit
- 39. Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following outdated SIP requirements: Rule 401 (Madera, Fresno, Kern, Kings, San Joaquin, Stanislaus, Tulare and Merced), Rule 110 (Fresno, Stanislaus, San Joaquin), Rule 109 (Merced), Rule 113 (Madera), and Rule 111 (Kern, Tulare, Kings). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 40. Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following applicable requirements: SJVUAPCD Rules 1100, sections 6.1 and 7.0 (12/17/92); 2010, sections 3.0 and 4.0 (12/17/92); 2031 (12/17/92); 2040 (12/17/92); 2070, section 7.0 (12/17/92); 2080 (12/17/92); 4101 (11/15/01); 4601, sections 5.1, 5.2, 5.3, 5.8 and 8.0 (10/31/01); 8021 (11/15/01); 8031 (11/15/01); 8041 (11/15/01); 8051 (11/15/01); 8061 (11/15/01); and 8071 (11/15/01). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 41. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
- 42. To maintain status as a small producer, permittee's crude oil production shall average less than 6000 bbl/day from all operations within Kern County and permittee shall not engage in refining, transporting, or marketing of refined petroleum products. [District Rule 3020] Federally Enforceable Through Title V Permit
- 43. Operator shall maintain accurate monthly records of Gas-to-Oil Ratio (GOR) and API gravity of liquids produced showing that the facility exclusively processes, stores, or transfers black oil (as defined in 40 CFR 63.761). [40 CFR 63.10(b)] Federally Enforceable Through Title V Permit
- 44. When applicable to 40 CFR Part 68, a subject facility shall submit to the proper authority a Risk Management Plan when mandated by the regulation. [40 CFR Part 68] Federally Enforceable Through Title V Permit
- 45. The reporting periods for the Report of Required Monitoring and the Compliance Certification Report begin October 6 of every year, unless alternative dates are approved by the District Compliance Division. These reports are due within 30 days after the end of the reporting period. [District Rule 2520] Federally Enforceable Through Title V Permit

PERMIT UNIT: S-724-1-5 **EXPIRATION DATE:** 12/31/2009

SECTION: NW06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

COGENERATION SYSTEM WITH GE LM2500PE 250 MMBTU/HR GAS-FIRED GAS TURBINE ENGINE, 22.1 MW GAS & 7 MW STEAM TURBINE ELECTRICAL GENERATORS, INLET AIR ABSORPTION CHILLER, WATER INJECTION, UNFIRED HEAT RECOVERY STEAM GENERATOR, & BABCOCK-HITACHI SCR SYSTEM

PERMIT UNIT REQUIREMENTS

- 1. Operator shall not discharge into the atmosphere combustion contaminants (PM) exceeding in concentration at the point of discharge, 0.1 gr/dscf. [District Rule 4201] Federally Enforceable Through Title V Permit
- 2. Exhaust stack shall be equipped with permanent provisions to allow collection of stack gas samples consistent with EPA test methods. [District Rule 1080] Federally Enforceable Through Title V Permit
- 3. System shall be equipped with operational temperature indicator installed at the SCR catalyst inlet, continuously recording fuel gas flowmeter, ammonia flowmeter, and ammonia injection pressure indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
- 4. Gas turbine engine combustor water injection system shall be equipped with continuously recording water-to-fuel injection rate monitoring system accurate to within 5%. [District NSR Rule] Federally Enforceable Through Title V Permit
- 5. The owner or operator shall install, certify, maintain, operate and quality-assure a Continuous Emission Monitoring System (CEMS) which continuously measures and records the exhaust gas NOx and O2 concentrations. [40 CFR 60.334(b) and District Rule 4703, 6.2.1] Federally Enforceable Through Title V Permit
- 6. The CEMS shall be linked to a data logger which is compatible with the District's Data acquisition system. Upon notice by the District that the facility's CEM system is not providing polling data, the facility may continue to operate without providing automated data for a maximum of 30 days per calendar year provided the CEM data is sent to the District by a District-approved alternative method. [District Rule 1080, 7.1] Federally Enforceable Through Title V Permit
- 7. The NOx and O2 CEMS shall meet the requirements in 40 CFR 60, Appendix F Procedure 1 and Part 60, Appendix B Performance Specifications 2 and 3, or shall meet equivalent specifications established by mutual agreement of the District, the ARB, and the EPA. [40 CFR 60.334(b)(1) and, District Rule 1080, 6.3, 6.5, 6.6, & 7.2] Federally Enforceable Through Title V Permit
- 8. Continuous emission monitoring systems for NOx, CO, and O2 serving exhaust gas stream shall conform to Rule 1080 specifications. [District Rule 1080] Federally Enforceable Through Title V Permit
- 9. The CEMS shall complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each successive 15-minute period or shall meet equivalent specifications established by mutual agreement of the District, the ARB and the EPA. [40 CFR 60.334(b)(2) and District Rule 1080, 6.4] Federally Enforceable Through Title V Permit
- 10. Gas turbine engine water injection rate shall be maintained at water-to-fuel ratio documented to result in compliance with emission limits. [District NSR Rule] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA S-724-1-5: Apr 10 2012 11:30AM – SRANK

- 11. Gas turbine shall be shut down if water injection or SCR system is inoperative. [District NSR Rule] Federally Enforceable Through Title V Permit
- 12. APCO or an authorized representative shall be allowed to inspect, as determined to be necessary, the monitoring devices required by this rule to ensure that such devices are functioning properly. [District Rule 1080, 11.0]
- 13. Excess emissions shall be defined as any operating hour in which 4-hour rolling average NOx concentration exceeds applicable emissions limit and a period of monitor downtime shall be any unit operating hour in which sufficient data are not obtained to validate the hour for either NOx or O2 (or both). [40 CFR 60.334(J)(1)(iii)] Federally Enforceable Through Title V Permit
- 14. Catalyst failure to perform as required due to catalyst poisoning or fouling shall not be recognized as basis for Rule 1100 enforcement exemption. [District NSR Rule] Federally Enforceable Through Title V Permit
- 15. Thermal Stabilization Period shall be defined as the start up or shut down time during which the exhaust gas is not within the normal operating temperature range, not to exceed two hours. [District Rule 4703, 3.25] Federally Enforceable Through Title V Permit
- 16. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rules 404 (Madera), 406 (Fresno), and 407 (Kings, Merced, San Joaquin, Tulare, Kern, and Stanislaus). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 17. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.332 (a)(1), (a)(2), 60.333 (b); 60.334(b) (b)(1), (b)(2), (h)(3), (j), (j)(1)(iii), and (j)(5), and 60.335(a), (b)(7), (b)(3), and District Rule 4703 (as amended 4/25/02), Sections 5.1.2.1, 5.2, 6.2.2, 6.2.6, 6.3, and 6.4. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 18. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.7(b), 60.8, 60.13, and District Rules 1080 (as amended 12/17/92), Sections 6.3, 6.4, 6.5, 6.6, 7.1, 7.2, 7.3, 8.0, and 11.0; 1081(as amended 12/16/93), Sections 3.0, 6.0, 7.1, 7.2, and 7.3; and 4201 (as amended 12/17/92). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 19. Unit shall be fired exclusively on PUC-regulated natural gas which has a sulfur content of less than or equal to 0.017% by weight. [40 CFR 60.333 (b); 60.332(a); Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
- 20. The sulfur content of each fuel source shall be: (i) documented in a valid purchase contract, a supplier certification, a tariff sheet or transportation contract or (ii) monitored weekly using ASTM Methods D4084, D5504, D6228, or Gas Processors Association Standard 2377. If sulfur content is less than 1.0 gr/100 scf for 8 consecutive weeks, then the Monitoring frequency shall be every six (6) months. If any six (6) month monitoring show an exceedance, weekly monitoring shall resume. [40 CFR 60.334(h)(3) and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 21. Gas turbine shall not burn more than 6.32 million SCF per day of natural gas. [District NSR Rule] Federally Enforceable Through Title V Permit
- 22. Oxides of Nitrogen (NOx) emissions shall not exceed 7.7 ppmvd at 15% O2. [District NSR Rule and District Rule 4703, 5.1.2] Federally Enforceable Through Title V Permit
- 23. Sulfur compounds emissions shall not exceed 0.32 lb/hr of SOx (as SO2). [District NSR Rule] Federally Enforceable Through Title V Permit
- 24. Particulate (PM10) emissions shall not exceed any of the following: 5.66 lb/hr in the turbine exhaust, or 0.58 lb/hr in the lube oil cooler/accumulator vents. [District NSR Rule] Federally Enforceable Through Title V Permit
- 25. Carbon Monoxide (CO) emissions shall not exceed 48 ppmvd @ 15% O2. [District NSR Rule and District Rule 4703, 5.2] Federally Enforceable Through Title V Permit

Facility Name: DAI OILDALE INC.
Location: HEAVY OIL CENTRAL,CA
S-724-1-5: Apr 10 2012 11:30AM – SRANK

- 26. Volatile Organic Compounds (VOC) emissions shall not exceed 5.38 lb/hr in the turbine exhaust or 0.58 lb/hr in the lube oil cooler/accumulator vents. [District NSR Rule] Federally Enforceable Through Title V Permit
- 27. NOx and CO emissions shall be measured by District-witnessed, or authorized, sample collection by an independent testing laboratory annually within 60 days prior to the anniversary of the permit issuance date. [District NSR Rule and District Rule 4703] Federally Enforceable Through Title V Permit
- 28. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
- 29. Official test results and field data shall be submitted to the District within 60 days after collection. [District Rule 1081] Federally Enforceable Through Title V Permit
- 30. Performance testing shall be conducted annually to measure NOx and CO emission concentrations using the following test methods: EPA Methods 7E or 20 for NOx emissions, EPA Methods 10 or 10B for CO emissions, EPA Methods 3, 3A, or 20 for Oxygen content of the exhaust gas. The 9-run tests shall be performed at the highest load of the gas turbine physically achievable on the date of the performance test. [40 CFR 60.335(a), (b)(7) and District Rule 4703, 6.3.1, 6.4.2, & 6.4.3] Federally Enforceable Through Title V Permit
- 31. Ammonia injection rate shall be controlled to maintain ammonia "breakthrough" to less than 50 ppmvd. [District NSR Rule] Federally Enforceable Through Title V Permit
- 32. A violation of NOx emission standards indicated by the NOx CEM shall be reported by the operator to the APCO within 96 hours. [District Rule 1080, 9.0] Federally Enforceable Through Title V Permit
- 33. Operator shall notify the APCO no later than eight hours after the detection of a breakdown of the CEM. Operator shall inform the APCO of the intent to shut down the CEM at least 24 hours prior to the event. [District Rule 1080, 10.0] Federally Enforceable Through Title V Permit
- 34. The owner or operator shall maintain CEMS records that contain the following: the occurrence and duration of any start-up, shutdown or malfunction, performance testing, evaluations, calibrations, checks, adjustments, maintenance, duration of any periods during which a continuous monitoring system or monitoring device is inoperative, and emission measurements. [40 CFR 60.7(b) and District Rule 1080, 7.3] Federally Enforceable Through Title V Permit
- 35. Results of the CEM system shall be averaged over a three hour period, using consecutive 15-minute sampling periods in accordance with all applicable requirements of CFR 60.13. [40 CFR 60.13 and District Rule 4703, 5.1, 6.4] Federally Enforceable Through Title V Permit
- 36. The owner or operator shall submit a written report of CEM operations for each calendar quarter to the APCO. The report is due on the 30th day following the end of the calendar quarter and shall include the following: Time intervals, data and magnitude of excess NOx emissions, nature and the cause of excess (if known), corrective actions taken and preventive measures adopted; Averaging period used for data reporting corresponding to the averaging period specified in the emission test period used to determine compliance with an emission standard; Applicable time and date of each period during which the CEM was inoperative (monitor downtime), except for zero and span checks, and the nature of system repairs and adjustments; A negative declaration when no excess emissions occurred. [40 CFR 60.334(j), (j)(5) and District Rule 1080, 8.0]
- 37. Maintain on file, copies of natural gas bills. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 38. Records of daily amount of fuel gas consumption shall be maintained on the premises for a period of at least five years and shall be made readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
- 39. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation, and quantity of fuel used. [District Rule 4703, 6.2.6] Federally Enforceable Through Title V Permit
- 40. The operator of a stationary gas turbine system 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, 9.4.2] Federally Enforceable Through Title V Permit

PERMIT UNIT: S-724-2-4 EXPIRATION DATE: 12/31/2009

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

THERMALLY ENHANCED OIL RECOVERY WELL VENT VAPOR CONTROL SYSTEM SERVING 52 STEAM ENHANCED WELLS WITH: UP TO 5 GAS/LIQUID SEPARATORS, UP TO 3 AIR-COOLED HEAT EXCHANGERS, AND 54'X54'X6' EMERGENCY SUMP - KERN RIVER FIELD

PERMIT UNIT REQUIREMENTS

- 1. Fugitive components installed for 38 new wells authorized by ATC 4188002B shall not exceed 114 ball valves and 78 unions. [District NSR Rule] Federally Enforceable Through Title V Permit
- 2. Well vapors shall vent only to the Hirt incinerator(s) listed in permit S-724-3. [District NSR Rule] Federally Enforceable Through Title V Permit
- 3. Total uncontrolled VOC emissions from all well vents shall be reduced by at least 99%. [District NSR Rule] Federally Enforceable Through Title V Permit
- 4. All wells served by vapor collection system shall be shut in and shall not vent to the atmosphere in event of failure of incineration system. [District NSR Rule] Federally Enforceable Through Title V Permit
- 5. All components of well vent vapor collection and control systems shall be maintained in good working condition. [District NSR Rule] Federally Enforceable Through Title V Permit
- 6. The number of leaks from the vapor collection and control system, including condensate handling, shall not exceed 8 leaks at any one time. [District NSR Rule] Federally Enforceable Through Title V Permit
- 7. VOC emission rate shall not exceed 5.2 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
- 8. A listing of all steam enhanced wells connected to this system shall be submitted to the District at least 60 days prior to the permit anniversary date. [District NSR Rule] Federally Enforceable Through Title V Permit
- 9. The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
- 10. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of this permit. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 11. All required source testing shall conform to the compliance testing procedures described in District Rule 1081(as amended December 16, 1993). [District Rule 1081] Federally Enforceable Through Title V Permit
- 12. The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 13. 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, 9.4.2] Federally Enforceable Through Title V Permit
- 14. Operator shall affix a readily visible tag bearing the date on which a leak is detected. The tag shall remain in place until the leaking component is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL,CA S-724-2-4: Apr 10 2012 11:30AM - SRANK

- 15. Operator shall repair each leak within 15 days of detection. The APCO may grant a 10 day extension if the operator demonstrates that the necessary and sufficient actions have and are being taken to correct the leak. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 16. Operator shall maintain all components of a well vent vapor collection and control system in good repair. Components of the well vent vapor collection and control system shall include all piping, valves, fittings, pumps, compressors, tanks, etc. used to collect, control, store, or dispose of VOC condensate or non-condensable VOCs and which is prior to any blending of VOC condensate with crude oil or blending of non-condensable VOCs with gases to be used as a fuel. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 17. Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by ARB certified contractors during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the requirements of this condition if the vapor control system does not exhaust to atmosphere or if all uncondensed VOC emissions collected by a vapor collection and control system are burned in fuel burning equipment or in a smokeless open flare and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 18. The control efficiency of systems designed to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on recognized emission factors for components and number of components; and the efficiency of destruction devices determined by EPA Method 25, 25a, or 25b as applicable. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 19. VOC content shall be determined using ASTM Method E168-67, E169-63, or E260-73 as applicable. Halogenated exempt compounds shall be determined by ARB Method 432. [District Rule 4401, 6.2.3] Federally Enforceable Through Title V Permit
- 20. The source shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with EPA Method 21. [District Rules 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 21. Permittee shall annually submit monthly records of sump use showing days of operation. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 22. The requirements of SJVUAPCD Rule 4401 (Adopted April 11, 1991) and Kern County Rule 411.1 do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA S-724-24: Apr 10 2012 11:30AM — SRANK

PERMIT UNIT: S-724-3-3 EXPIRATION DATE: 12/31/2009

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

750 BBL FIXED ROOF WASH TANK #T-401 WITH VAPOR CONTROL SYSTEM INCLUDING VAPOR LINES, GAS BLANKETING LINES, AND UP TO 2 HIRT INCINERATORS, SHARED WITH PERMIT UNITS S-724-2, -4, & -5

PERMIT UNIT REQUIREMENTS

- Tank vapors shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V
 Permit
- 2. Hirt incinerators shall be equipped with 5,000 volt spark ignition system and alternate fuel (propane) system. [District NSR Rule] Federally Enforceable Through Title V Permit
- 3. Hirt incinerators shall be equipped with vapor flow monitor, combustion chamber temperature monitor, and propane flow monitor. [District NSR Rule] Federally Enforceable Through Title V Permit
- 4. Vapor flow to each Hirt incinerator shall not exceed 2.5 scfm. [District NSR Rule] Federally Enforceable Through Title V Permit
- 5. Hirt incinerator combustion chamber temperature shall be maintained at no less than 1170 F. [District NSR Rule] Federally Enforceable Through Title V Permit
- 6. True vapor pressure of liquids introduced or stored in tank shall not exceed 1.0 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
- 7. Tank throughput shall not exceed 990 bbl oil/day. [District NSR Rule] Federally Enforceable Through Title V Permit
- 8. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- 9. Emission rate from permits S-724-3, -4, and -5 shall not exceed PM10: 0.0 lb/day, SOx (as SO2): 0.4 lb/day, NOx (as NO2): 0.4 lb/day, VOC: 1.2 lb/day, and CO: 0.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
- 10. Permittee shall keep records of daily throughput, storage temperature, and Reid vapor pressure for a period of five years and make such records readily available for District inspection upon request. [District Rule 1070 and District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 11. Incinerator outlet shall be inspected weekly while in operation for visible emissions. If excessive visible emissions are observed, appropriate action shall be taken. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 12. 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, 9.4.2] Federally Enforceable Through Title V Permit
- 13. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA s-724-3-3: Apr 10 2012 11:30AM – SRANK

- 14. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
- 15. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 16. Records of control system maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA S-724-3-3: Apr 10 2012 11:30AM – SRANK

PERMIT UNIT: S-724-4-3 EXPIRATION DATE: 12/31/2009

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #F5395ST WITH VAPOR PIPING TO VAPOR CONTROL

SYSTEM LISTED ON S-724-3

PERMIT UNIT REQUIREMENTS

- 1. Tank vapors shall vent to only vapor control system. [District NSR Rule] Federally Enforceable Through Title V
- 2. True vapor pressure of liquids introduced or stored in tank shall not exceed 1.0 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
- 3. Tank throughput shall not exceed 990 bbl oil/day. [District NSR Rule] Federally Enforceable Through Title V Permit
- 4. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- 5. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
- 6. Permittee shall keep records of throughput, storage temperature, and Reid vapor pressure for a period of five years and make such records readily available for District inspection upon request. [District Rule 1070 and District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 7. Incinerator outlet shall be inspected weekly while in operation for visible emissions. If excessive visible emissions are observed, appropriate action shall be taken. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 8. 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, 9.4.2] Federally Enforceable Through Title V Permit
- 9. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 10. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 11. Records of control system maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL,CA 5-724-4-3: Apr 10 2012 11:31AM – SRANK

PERMIT UNIT: S-724-5-3

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #ST5396ST WITH VAPOR PIPING TO VAPOR CONTROL

EXPIRATION DATE: 12/31/2009

SYSTEM LISTED ON S-724-3

PERMIT UNIT REQUIREMENTS

- Tank vapors shall vent to only vapor control system. [District NSR Rule] Federally Enforceable Through Title V
 Permit
- 2. True vapor pressure of liquids introduced or stored in tank shall not exceed 1.0 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
- 3. Tank throughput shall not exceed 990 bbl oil/day. [District NSR Rule] Federally Enforceable Through Title V Permit
- 4. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- 5. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
- 6. Permittee shall keep records of throughput, storage temperature, and Reid vapor pressure for a period of five years and make such records readily available for District inspection upon request. [District Rule 1070 and District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 7. Incinerator outlet shall be inspected weekly while in operation for visible emissions. If excessive visible emissions are observed, appropriate action shall be taken. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 8. 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, 9.4.2] Federally Enforceable Through Title V Permit
- 9. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
- 10. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 11. Records of control system maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.
Location: HEAVY OIL CENTRAL, CA
S-724-5-3: Apr 10 2012 11:31AM — SRANK

PERMIT UNIT: S-724-9-3 **EXPIRATION DATE:** 12/31/2009

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

180 BHP DIESEL-FIRED EMERGENCY IC ENGINE POWERING A FIREWATER PUMP

PERMIT UNIT REQUIREMENTS

- 1. Particulate matter emissions shall not exceed 0.1 gr/dscf in concentration at the point of discharge. [District Rule 4201] Federally Enforceable Through Title V Permit
- 2. This engine shall be operated exclusively to preserve or protect property, human life, or public health during a disaster or state of emergency. [District Rule 4702, 4.3.1.1] Federally Enforceable Through Title V Permit
- 3. This engine shall be equipped with a nonresettable elapsed operating time meter or other APCO approved alternative. [District Rule 4702, 4.3 and 17 CCR 93115] Federally Enforceable Through Title V Permit
- 4. Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115] Federally Enforceable Through Title V Permit
- 5. This engine shall be operated only for maintenance, testing, and required regulatory purposes, and during emergency situations. For testing purposes, the engine shall only be operated the number of hours necessary to comply with the testing requirements of the National Fire Protection Association (NFPA) 25 "Standard for the Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems", 1998 edition. Total hours of operation for all maintenance, testing, and required regulatory purposes shall not exceed 100 hours per calendar year. [District Rule 4702, 4.3 and 17 CCR 93115] Federally Enforceable Through Title V Permit
- 6. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rule 404 (Madera), 406 (Fresno), and 407 (Kings, Merced, San Joaquin, Tulare, Kern, and Stanislaus). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 7. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4801; Kern County Rule 407. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
- 8. The permittee shall maintain the following records with regards to weekly visible emission/equipment inspections: 1) date and time of inspection, 2) stack or emission point identification, 3) operational status/conditions of the equipment, 4) observed results and conclusions, 5) description of corrective actions taken to resolve any observed excessive visible emissions, 6) date and time excessive visible emissions corrected, 7) date of Method 9 test and results if corrected, and 8) name of person(s) performing the inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 9. The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, and the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.). For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rules 2520, 9.4.2 and 4702, 6.2, and 17 CCR 93115] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC.
Location: HEAVY OIL CENTRAL, CA
S-724-9-3: Apr 10 2012 11:31AM - SRANK

- 10. The permittee shall maintain monthly records of the type of fuel purchased, the amount of fuel purchased, date when the fuel was purchased, signature of the permittee who received the fuel, and signature of the fuel supplier indicating that the fuel was delivered. [District Rule 2520, 9.4.2 and 17 CCR 93115] Federally Enforceable Through Title V Permit
- 11. 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 2520, 9.4.2 and 4702, 6.2, and 17 CCR 93115] Federally Enforceable Through Title V Permit

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA S-724-9-3: Apr 10 2012 11:31AM – SRANK

PERMIT UNIT: S-724-11-2

EXPIRATION DATE: 12/31/2009

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

1000 BARREL FIXED ROOF TANK T-1003

PERMIT UNIT REQUIREMENTS

- 1. True vapor pressure of the petroleum liquid stored shall be less than 1.5 psia. [District Rule 2010 and District Rule 4623, 5.1] Federally Enforceable Through Title V Permit
- 2. Operator shall maintain all records for at least five years and conform to the recordkeeping requirements described in District Rule 2520. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 3. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 4. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 5. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- 6. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA S-724-11-2: Apr 10 2012 11:31AM -- SRANK

PERMIT UNIT: S-724-19-2

EXPIRATION DATE: 12/31/2009

SECTION: 06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION: 1500 BARREL WASH TANK T-402

PERMIT UNIT REQUIREMENTS

- 1. True vapor pressure of the petroleum liquid stored shall be less than 1.5 psia. [District Rule 2010 and District Rule 4623, 5.1] Federally Enforceable Through Title V Permit
- 2. Operator shall maintain all records for at least five years and conform to the recordkeeping requirements described in District Rule 2520. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 3. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 4. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
- 5. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
- 6. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA 8-724-19-2: Apr 10 2012 11:31AM - SRANK

PERMIT UNIT: S-724-42-2

EXPIRATION DATE: 12/31/2009

SECTION: NW06 TOWNSHIP: 29S RANGE: 28E

EQUIPMENT DESCRIPTION:

16,000 GPM COUNTER FLOW WOOD COOLING TOWER

PERMIT UNIT REQUIREMENTS

- 1. Permittee shall comply with all applicable requirements of Rule 7012. [District Rule 7012]
- 2. No hexavalent chromium containing compounds shall be added to cooling tower circulating water. [District Rule 7012, Section 5.2.1]
- 3. The requirements of 40 CFR 63, Subpart Q do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: DAI OILDALE INC. Location: HEAVY OIL CENTRAL, CA S-724-42-2: Apr 10 2012 11:31AM – SRANK

ATTACHMENT C

Detailed Facility List

S-1	104211
Ψ.	

Permit#	Equipment_Description
S-724-1-5	COGENERATION SYSTEM WITH GE LM2500PE 250 MMBTU/HR GAS-FIRED GAS TURBINE ENGINE, 22.1 MW GAS & 7 MW STEAM TURBINE ELECTRICAL GENERATORS, INLET AIR ABSORPTION CHILLER, WATER INJECTION, UNFIRED HEAT RECOVERY STEAM GENERATOR, & BABCOCK-HITACHI SCR SYSTEM
S-724-2-4	THERMALLY ENHANCED OIL RECOVERY WELL VENT VAPOR CONTROL SYSTEM SERVING 52 STEAM ENHANCED WELLS WITH: UP TO 5 GAS/LIQUID SEPARATORS, UP TO 3 AIR-COOLED HEAT EXCHANGERS, AND 54'X54'X6' EMERGENCY SUMP - KERN RIVER FIELD
S-724-3-3	750 BBL FIXED ROOF WASH TANK #T-401 WITH VAPOR CONTROL SYSTEM INCLUDING VAPOR LINES, GAS BLANKETING LINES, AND UP TO 2 HIRT INCINERATORS, SHARED WITH PERMIT UNITS S-724-2, -4, & -5
S-724-4-3	1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #F5395ST WITH VAPOR PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-724-3
S-724-5-3	1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #ST5396ST WITH VAPOR PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-724-3
S-724-9-3	180 BHP DIESEL-FIRED EMERGENCY IC ENGINE POWERING A FIREWATER PUMP
S-724-11-2	1000 BARREL FIXED ROOF TANK T-1003
S-724-19-2	1500 BARREL WASH TANK T-402
S-724-42-2	16,000 GPM COUNTER FLOW WOOD COOLING TOWER