San Joaquin Valley Air Pollution Control District

Authority to Construct Application Review

Modification of Existing Dormant Steam Generator for Rule Compliance

Facility Name: Holmes Western Oil Corporation

Date: June 08, 2012

Mailing Address: P.O. Box 1405

Engineer: Ashley Dahlstrom

Taft, CA 93268

Lead Engineer: Daniel Klevann

Contact Person: Terry Destrampe

DK 6-19-12

Telephone: (661) 763-1537

Fax: (661) 763-5737

E-Mail: tdestrampe@westerndrilling.com

Application #: S-1626-61-4

Project #: S-1121670

Deemed Complete: May 25, 2012

Proposal

Holmes Western Oil Corporation (HWOC) proposes to modify an existing non-compliant dormant 62.5 MMBtu/hr natural gas-fired steam generator (S-1626-61) to comply with the applicable emission requirements of District Rule 4320, Advanced Emission Reductions Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr. HWOC is proposing to pay an annual emissions fee to the District as specified in Section 5.3 of the rule. The unit currently complies with the particulate matter control requirements in Section 5.4 and the fuel gas sulfur content is currently limited to 1 gr S/100 scf. NOx emissions from the unit will remain at 9 ppmvd @3% O2. In addition, HWOC requests to increase the CO emission limit from 35 ppmv @3% O2 to 120 ppmv @3% O2.

The above modifications are proposed solely to comply with the emissions requirements of District Rules 4306 and 4320. However, since this project results in an increase in CO emissions, this change is a modification pursuant to District Rule 2201.

ATCs S-1626-61-1 and '-61-2 evaluated this unit for compliance with District Rule 4320 by designating that the unit be fired on PUC gas and a meet a 7 ppmv NOx limit or be fired on field gas. This ATC is being requested as an additional Rule 4320 compliance option.

The facility is not a Title V source and is not subject to District Rule 2520, "Federally Mandated Operating Permits".

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)

Rule 2520

Federally Mandated Operating Permits (6/21/01)

Rule 4001

New Source Performance Standards (4/14/99)