



AUG 21 2012

Mr. Jerry Frost
Vintage Production California, LLC
9600 Ming Avenue
Bakersfield, CA 93309

Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1326
Project # S-1121201

Dear Mr. Frost:

The Air Pollution Control Officer has issued an Authority to Construct (S-1326-287-10) with a Certificate of Conformity to Vintage Production California, LLC (Sections: 23, 24, 25 and 26, Township: 28S, Range: 27E). Vintage proposed to modify the TEOR operation by increasing the well count to 1,085 wells.

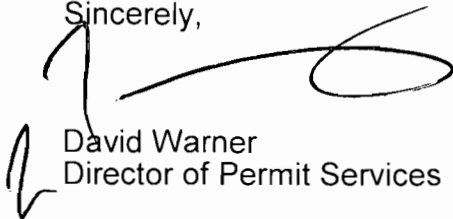
Enclosed is the Authority to Construct. The application and proposal were sent to US EPA Region IX on June 11, 2012. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Prior to operating with modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,



David Warner
Director of Permit Services

DW: SDD/cm

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

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



AUG 21 2012

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

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1326
Project # S-1121201**

Dear Mr. Rios:

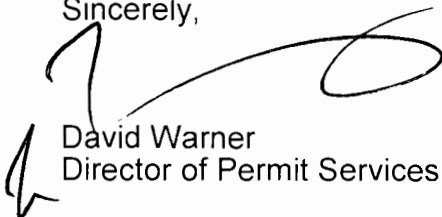
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Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on June 11, 2012. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

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AUG 21 2012

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

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1326
Project # S-1121201**

Dear Mr. Tollstrup:

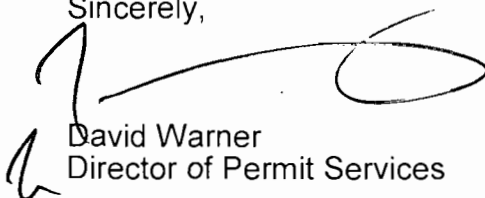
The Air Pollution Control Officer has issued an Authority to Construct (S-1326-287-10) with a Certificate of Conformity to Vintage Production California, LLC (Sections: 23, 24, 25 and 26, Township: 28S, Range: 27E). Vintage proposed to modify the TEOR operation by increasing the well count to 1,085 wells.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on June 11, 2012. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,



David Warner
Director of Permit Services

DW: SDD/cm

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**NOTICE OF FINAL DECISION
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT AND
THE PROPOSED SIGNIFICANT MODIFICATION OF FEDERALLY
MANDATED OPERATING PERMIT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District has made its final decision to issue an Authority to Construct to Vintage Production California, LLC for heavy oil central facility located (Sections: 23, 24, 25 and 26, Township: 28S, Range: 27E), California. Vintage proposed to modify the TEOR operation by increasing the well count to 1,085 wells.

The District's analysis of the legal and factual basis for this proposed action, project #S-1121201, is available for public inspection at the District office at the address below. For additional information regarding this matter, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500, or contact David Warner, Director of Permit Services, in writing at SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 E. GETTYSBURG AVE, FRESNO, CA 93726-0244.



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1326-287-10

ISSUANCE DATE: 08/14/2012

LEGAL OWNER OR OPERATOR: VINTAGE PRODUCTION CALIFORNIA LLC
MAILING ADDRESS: 9600 MING AVE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
KERN COUNTY, CA

EQUIPMENT DESCRIPTION:

MODIFICATION OF THERMALLY ENHANCED OIL RECOVERY OPERATION WITH 305 STEAM ENHANCED PRODUCTION WELLS CONNECTED TO WELL HEAD CASING VENT VAPOR RECOVERY SYSTEM (CVR) VENTING VAPORS TO SECTION 23 TANK VAPOR RECOVERY SYSTEM (S-1326-263): REMOVE RULE 4401 INSPECTION CONDITIONS, ADD 780 WELLS AND EXPAND TEOR OPERATION TO INCLUDE THE FOLLOWING LOCATIONS: SECTION 24, 25 AND 26, TOWNSHIP: 28S, RANGE: 27E

CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. The TEOR operation shall be located within Sections: 23, 24, 25 and 26, Township: 28S, Range: 27E [District Rule 2201] Federally Enforceable Through Title V Permit
4. Well casing vents shall remain closed, connected to well produced fluids lines, or connected to a well vent VOC collection and control system at all times except during periods of actual service or repair when wells are not producing. [District NSR Rule and District Rule 4401] Federally Enforceable Through Title V Permit
5. Collected CVR vapor shall be piped to tank vapor recovery system (TVR) serving S-1326-263. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications, and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO



DAVID WARNER, Director of Permit Services

S-1326-207-10 : Aug 14 2012 9:18AM - DAVIDSOS : Joint Inspection NOT Required

6. VOC content of gas collected by the CVR system shall not exceed 10% by weight. Permittee shall maintain a written record of VOC content (sampled not less than annually) and shall make such records available for District inspection upon request for a period of five years. Permittee may use test results obtained from S-1326-263 to demonstrate compliance. [District NSR Rule and District Rule 4401] Federally Enforceable Through Title V Permit
7. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201 and 4401] Federally Enforceable Through Title V Permit
8. Fluids produced from these steam enhanced wells shall be introduced only to tanks listed on permit S-1326-263 that are vented to an approved vapor collection and control system achieving 99% control. [District NSR Rule] Federally Enforceable Through Title V Permit
9. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with 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, the steam-enhanced 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] Federally Enforceable Through Title V Permit
10. Steam enhanced production wells covered by this permit shall each have a visible identification number. Field personnel shall be provided with written instructions concerning proper operation and maintenance of these wells. [District NSR Rule] Federally Enforceable Through Title V Permit
11. 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] Federally Enforceable Through Title V Permit
12. Total combined fugitive emissions from all components associated with this TEOR operation shall not exceed 0.0 lb VOC/ day. [District NSR Rule] Federally Enforceable Through Title V Permit
13. 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 District Rule 4401, 5.0 (as amended June 16, 2011). [District Rule 4401] Federally Enforceable Through Title V Permit
14. The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401] Federally Enforceable Through Title V Permit
15. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule] Federally Enforceable Through Title V Permit
16. A gas leak is defined as the detection of a concentration of total organic compounds, above background (measured in accordance with EPA Method 21) that exceeds the following values: 1) A major gas leak is a detection of greater than 10,000 ppmv as methane; and 2) A minor gas leak is a detection of 400 to 10,000 ppmv as methane for pressure relief devices (PRDs) and 2,000 to 10,000 for components other than PRDs. [District Rule 4401] Federally Enforceable Through Title V Permit
17. A liquid leak is defined as the dripping of VOC-containing liquid. 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 that is not a major liquid leak and drips liquid at a rate of more than three drops per minute, except for seal lubricant. [District Rule 4401] Federally Enforceable Through Title V Permit
18. 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 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

19. 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] Federally Enforceable Through Title V Permit
20. 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] Federally Enforceable Through Title V Permit
21. An operator shall be in violation of this rule if any District inspection demonstrates that the following conditions in Section 5.2.2 exist at the facility: 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. [District Rule 4401] Federally Enforceable Through Title V Permit
22. An operator shall be in violation of this rule if any District inspection demonstrates that one or more of the following conditions exist at the facility: existence of a component with any of the following: a major liquid leak, a gas leak greater than 50,000 ppmv, a minor liquid leak or a minor gas leak in excess of the allowable number of leaks allowed by Table 3 of Rule 4401, or a gas leak greater than 10,000 ppmv up to 50,000 ppmv in excess of the allowable number of leaks allowed by Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
23. 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] Federally Enforceable Through Title V Permit
24. Permittee shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak. The following information shall be included on the tag: 1) the date and time of leak detection; 2) the date and time of leak measurement; 3) leak concentration in ppmv for a gaseous leak; 4) description of whether it is a major liquid leak or a minor liquid leak; and 5) whether the component is an essential component, an unsafe-to-monitor component, or a critical component. [District Rule 4401] Federally Enforceable Through Title V Permit
25. Permittee shall keep the tag affixed to the component until all of the following conditions have been met: 1) the leaking component has been repaired or replaced, and 2) the component has been re-inspected using the test methods described in this permit; and 3) the component is found to be in compliance with the requirements of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
26. Permittee 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] Federally Enforceable Through Title V Permit
27. Except for leaking critical components or leaking essential components, if the operator has minimized a leak but the leak still exceeds the applicable leak limits, the 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 4 of Rule 4401: 1) repair or replace the leaking component; 2) vent the leaking component to a VOC collection and control system; or 3) remove the leaking component from operation. [District Rule 4401] Federally Enforceable Through Title V Permit
28. The leak rate, measured after leak minimization has been performed, shall be used to determine the applicable repair period specified in Table 4 of Rule 4401 and the time of initial leak detection shall be the start of the repair period specified in Table 4 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
29. 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] Federally Enforceable Through Title V Permit
30. Flanges shall be monitored with a portable hydrocarbon detection instrument along the entire circumference of the flange-gasket interface. Threaded connections, tubing fittings, and other types of non-permanent joints shall be monitored along the entire circumference of joint interface. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

31. Valves shall be monitored with a portable hydrocarbon detection instrument where the stem comes through the packing gland, and at any attached or connected body flange(s), bonnet flange(s), or plug(s). [District NSR Rule] Federally Enforceable Through Title V Permit
32. All other components such as diaphragms, dump arms, instruments, meters shall be monitored at all points of possible emissions. [District NSR Rule] Federally Enforceable Through Title V Permit
33. In lieu of conducting annual source tests of 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, all uncondensed VOC emissions collected by a vapor collection and control system shall be incinerated in fuel burning equipment, an internal combustion engine or in a smokeless flare. [District Rule 4401] Federally Enforceable Through Title V Permit
34. 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] Federally Enforceable Through Title V Permit
35. The control efficiency of the vapor collection and control system used to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on most stringent of a source test, USEPA approved emission factors, or Air Pollution (AP)-42 emission factors for components and number of components; and the efficiency of destruction devices determined by USEPA Method 25, 25a, or 25b as applicable. [District Rule 4401] Federally Enforceable Through Title V Permit
36. 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. Halogenated exempt compounds shall be determined by CARB Method 432. [District Rule 4401] Federally Enforceable Through Title V Permit
37. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera). A permit shield is granted from these requirements. [District Rule 2520] Federally Enforceable Through Title V Permit
38. Compliance with permit conditions in the Title V permit shall be deemed compliance with SJVUAPCD Rule 4401 (Amended January 15, 1998), excluding sections 5.1 and 5.2 for control systems which have been waived from complying with the requirement of section 6.2.1. A permit shield is granted from these requirements. [District Rule 2520] Federally Enforceable Through Title V Permit
39. The requirements of SJVUAPCD Rule 4407 (Adopted May 19, 1994) do not apply to this permit unit. A permit shield is granted from this requirement. [District Rule 2520] Federally Enforceable Through Title V Permit
40. Permittee 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
41. By January 30 of each year, permittee 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
42. Permittee shall maintain a current list of all steam enhanced wells authorized by this permit and shall update the list whenever a well is added, replaced, or deleted. [District NSR Rule] Federally Enforceable Through Title V Permit
43. Permittee shall maintain an accurate component count for the well vent collection and control system serving this operation, in accordance with CAPCOA's "California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-2c (Feb 1999), Screening Value Range emission factors. Permittee shall update such records when new components are installed. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

44. 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