



AUG 21 2012

Terry Destrampe
Holmes Western Oil Corporation
P.O. Box 1405
Taft, CA 93268

RE: Notice of Final Action - Authority to Construct
Project Number: S-1121670

Dear Mr. Destrampe:

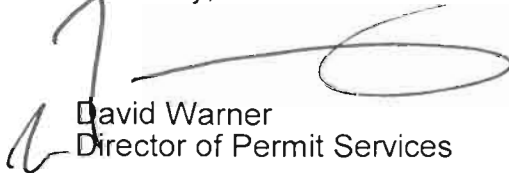
The Air Pollution Control Officer has issued Authority to Construct permit to Holmes Western Oil Corporation for the modification of an existing non-compliant dormant 62.5 MMBtu/hr natural gas-fired steam generator (S-1626-61) to remove non-compliant dormant status and increase the CO emissions limit at Holmes' Heavy Oil Western stationary source.

Enclosed is a copy of the Authority to Construct permit and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue this Authority to Construct was published on July 9, 2012. The District's analysis of the proposal was also sent to CARB on July 5, 2012. No comments were received following the District's preliminary decision on this project.

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

Sincerely,



David Warner
Director of Permit Services

DW: DG/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

Mike Tollstrup, Chief
Project Assessment Branch
Stationary Source Division
California Air Resources Board
PO Box 2815
Sacramento, CA 95812-2815

RE: Notice of Final Action - Authority to Construct
Project Number: S-1121670

Dear Mr. Tollstrup:

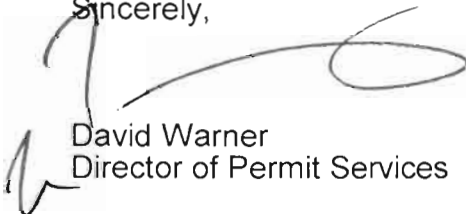
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**NOTICE OF FINAL ACTION
FOR THE ISSUANCE OF AUTHORITY
TO CONSTRUCT PERMITS**

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Authority to Construct permits to Holmes Western Oil Corporation for the modification of an existing non-compliant dormant 62.5 MMBtu/hr natural gas-fired steam generator (S-1626-61) to remove non-compliant dormant status and increase the CO emissions limit, at Holmes' Heavy Oil Western stationary source.

No comments were received following the District's preliminary decision on this project.

The application review for Project #S-1121670 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the **SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1626-61-4

ISSUANCE DATE: 08/08/2012

LEGAL OWNER OR OPERATOR: HOLMES WESTERN OIL CORPORATION
MAILING ADDRESS: HEAVY OIL WESTERN
PO BOX 1405
TAFT, CA 93268

LOCATION: HEAVY OIL WESTERN
CA

SECTION: SW16 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:
MODIFICATION OF NON-COMPLIANT DORMANT 62.5 MMBTU/HR CE NATCO NATURAL GAS-FIRED STEAM GENERATOR WITH ACT GIDEON LOW NOX BURNER, FGR, AND O2 CONTROLLER: REMOVE NON-COMPLIANT DORMANT STATUS AND INCREASE CO EMISSION LIMIT

CONDITIONS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
4. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
5. Total sulfur content of natural gas fuel shall not exceed 1.0 grain/100 scf. [Districts Rule 2201 and 4320]
6. Emissions from this natural gas-fired unit shall not exceed any of the following limits: 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu, 0.00285 lb-SOx/MMBtu, 0.0076 lb-PM10/MMBtu, 120 ppmvd CO @ 3% O2 or 0.0887 lb-CO/MMBtu, or 0.0055 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306 and 4320]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5600 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-1626-61-4: Aug 14 2012 2:58PM -- GDOUGHD : Joint Inspection NOT Required

7. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NOx emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NOx emission limit listed in Rule 4320. [District Rule 4320]
8. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and Rule 4320]
9. Copies of all gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted, fuel sources, and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 1070]
10. Emissions of sulfur compounds from this unit shall not exceed 200 lb per hour, calculated as SO₂. Compliance with this requirement may be demonstrated by firing the unit only on PUC or FERC regulated natural gas or by testing the sulfur content of each fuel and determining the maximum hourly emissions of sulfur compounds by multiplying the sulfur content of each fuel in lb/MMBtu by the maximum heat input rating of the unit; or by source testing in combination with fuel analysis. [District Rules 2201 and 4320]
11. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume until compliance with the sulfur limits can be demonstrated for 8 consecutive weeks for a fuel source. [District Rules 2201 and 4320]
12. When complying with SO_x emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6, 6A, 6B, or 6C; or Method 8 or ARB Method 1-100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 3031, D 3246, D 4084 or a grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculate emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months, however annual source testing shall resume if any test fails to show compliance. [District Rules 2201 and 4320]
13. If the unit is fired on noncertified gaseous fuel and compliance with SO_x emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 3031, D 4084, D 3246 or grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory. [District Rules 2201 and 4320]
14. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. [District Rules 4305, 4306 and 4320]
15. Source testing to measure NO_x and CO emissions from this unit shall be conducted within 60 days of initial start-up. [District Rules 2201, 4305, 4306 and 4320]
16. Source testing to measure NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320]
17. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320]
18. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081]

CONDITIONS CONTINUE ON NEXT PAGE

19. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂), and EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306 and 4320]
20. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320]
21. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]
22. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320]