



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

JUL 15 2013

Mr. Melinda Hicks  
Kern Oil & Refining Co  
7724 E Panama Lane  
Bakersfield, CA 93307

**Re: Final - Authority to Construct / COC (Significant Mod)  
District Facility # S-37  
Project # 1131410**

Dear Mr. Hicks:

The Air Pollution Control Officer has issued Authorities to Construct (S-37-8-3 and 150-0) with Certificates of Conformity to Kern Oil & Refining Co at 7724 E Panama Lane, Bakersfield. The project authorizes a 3000 bbl tank to be connected to an existing vapor control system. Enclosed are the Authorities to Construct 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 the Authority to Construct permit was published on May 31, 2013. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on May 28, 2013. No comments were received following the District's preliminary decision on this project.

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:RE/st

Enclosures

cc: Mike Tollstrup, CARB (w/enclosure) via email  
cc: Gerardo C. Rios, EPA (w/enclosure) via email

**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

Newspaper notice for publication in Bakersfield Californian and for posting on valleyair.org

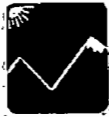
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**NOTICE OF FINAL DECISION  
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT AND  
THE PROPOSED SIGNIFICANT MODIFICATION OF FEDERALLY  
MANDATED OPERATING PERMIT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District has made its final decision to issue Authorities to Construct to Kern Oil & Refining Co at 7724 E Panama Lane, Bakersfield, California. The project authorizes a 3000 bbl tank to be connected to an existing vapor control system.

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

The District's analysis of the legal and factual basis for this proposed action, project #1131410, is available for public inspection at [http://www.valleyair.org/notices/public\\_notices\\_idx.htm](http://www.valleyair.org/notices/public_notices_idx.htm), the SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT



**HEALTHY AIR LIVING™**

## AUTHORITY TO CONSTRUCT

PERMIT NO: S-37-8-31

ISSUANCE DATE: 07/09/2013

LEGAL OWNER OR OPERATOR: KERN OIL & REFINING CO.  
MAILING ADDRESS: 7724 E PANAMA LANE  
BAKERSFIELD, CA 93307-9210

LOCATION: PANAMA LN & WEEDPATCH HWY  
BAKERSFIELD, CA 93307-9210

SECTION: 25 TOWNSHIP: 30S RANGE: 28E

### EQUIPMENT DESCRIPTION:

MODIFICATION OF ORGANIC LIQUID LOADING AREAS AND REFINERY VAPOR RECOVERY SYSTEM INCLUDING COMPRESSOR(S), LOADING RACKS WITH 10 PRODUCT LINES AND 9 VAPOR RETURN LINES:CONNECT TANK 150 TO VAPOR CONTROL SYSTEM

## CONDITIONS

1. Transfer Racks N and F may be used for loading and unloading. Transfer Racks A, K, and L shall be used only for loading. [District Rule 2201] Federally Enforceable Through Title V Permit
2. All liquids and gases from the transfer operation shall be routed to one of the following systems: a vapor collection and control system; a fixed roof container that meets the control requirements specified in Rule 4623 (Storage of Organic Liquids); a floating roof container that meets the control requirements specified in Rule 4623 (Storage of Organic Liquids); or a pressure vessel equipped with an APCO-approved vapor recovery system that meets the control requirements specified in Rule 4623 (Storage of Organic Liquids); or a closed VOC emission control system. [District Rules 4623 and 4624] Federally Enforceable Through Title V Permit
3. A floating roof container that meets the applicable control requirements of Section 5.0 of Rule 4623 (Storage of Organic Liquids) shall be considered not leaking when receiving unloaded liquids for compliance with Rule 4624. [District Rule 4624] 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-37-8-31 - Jul 9 2013 11:18AM - EDGEMILR - Joint Inspection NOT Required

4. For the transfer of gasoline only, transfer to any stationary storage container with 250 gallon capacity or more, that is not subject to Rule 4623, shall not be allowed unless the container is equipped with a permanent submerged fill pipe and an ARB certified Phase I vapor recovery system, which is maintained and operated according to the manufacturer's specifications, or a vapor recovery system with 95% control approved by the District. [District Rule 4621] Federally Enforceable Through Title V Permit
5. All delivery tanks which previously contained organic liquids, including gasoline, with a TVP 1.5 psia or greater at the storage container's maximum organic liquid storage temperature shall be filled only at Class 1 or Class 2 loading facilities that meet the vapor collection and control requirements of District Rule 4624 or listed herein. [District Rule 4624] Federally Enforceable Through Title V Permit
6. Construction, reconstruction (as defined in District Rule 4001) or expansion of any top loading facility shall not be allowed. [District Rule 4624] Federally Enforceable Through Title V Permit
7. The organic liquid and gasoline loading operation shall be equipped with bottom loading equipment with a vapor collection and control system meeting the requirements listed in this permit. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
8. Transfer rack and vapor collection and control equipment shall be designed, installed, maintained in accordance with the manufacturers specifications, and operated such that there are no leaks or excess organic liquid drainage at disconnections as defined herein. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
9. During unloading of gasoline, a leak shall be defined as the dripping of VOC-containing liquid at a rate of more than three drops per minute or a reading greater than 100 percent of the Lower Explosive Limit (21,000 ppmv as propane) in accordance with EPA Method 21. [District Rule 4621] Federally Enforceable Through Title V Permit
10. For components used in the gasoline loading operation, a leak shall be defined as the dripping of VOC-containing liquid at a rate of more than three drops per minute or the detection of organic compounds, in excess of 10,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. Excess liquid drainage shall be defined as exceeding 10 milliliters per average of 3 consecutive disconnects. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
11. For delivery vessels and components used in the organic liquid transfer operation, a leak shall be defined as the detection of organic compounds, in excess of 1,000 ppm as methane measured at a distance of one centimeter from the potential source in accordance with EPA Method 21. [District Rule 4624] Federally Enforceable Through Title V Permit
12. Equipment under vapor control shall not vent to atmosphere. [District Rules 4621 and 4624.] Federally Enforceable Through Title V Permit
13. The vapor collection and control system shall operate such that VOC emissions do not exceed 0.08 lb/1000 gallons of organic liquid loaded; maintains at least 95% capture and control efficiency of VOC and which operates so the delivery tank does not exceed 18 inches water column pressure nor 6 inches water column vacuum. [District Rule 4624] Federally Enforceable Through Title V Permit
14. No gasoline delivery vessel shall be used or operated unless it is leak-free. No gasoline delivery vessel shall be operated or loaded unless valid State of California decals are displayed on the cargo tank, attesting to the vapor integrity of the tank as verified by annual performance of CARB required Certification and Test Procedures for Vapor Recovery Systems for Cargo Tanks (Executive Order G-70-10-A) or EPA Method 27 for testing delivery vessels owned or operated by this facility. [District Rule 4621, Health & Safety Code, section 41962, and CCR, Title 17 section 94004] Federally Enforceable Through Title V Permit
15. Measurements of leak concentrations for organic liquid delivery vessels, including gasoline, shall be conducted according to the ARB Test Procedure for Determination of Leaks, TP-204.3, or EPA Method 21. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
16. VOC emission rate from diesel loading rack shall not exceed any of the following: Fugitive emissions: 0.12 lb/hr and vapor recovery system: 0.09 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit
17. VOC emission rate from fugitive components associated with the refinery vapor control system shall not exceed 6.9 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

18. During loading of a delivery vessel, the truck-mounted vapor return line shall be connected to the vapor recovery system listed on this permit. [District Rules 2201 and 4621] Federally Enforceable Through Title V Permit
19. A delivery vessel loading gasoline shall discontinue if its pressure relief valve opens. Corrective action shall be taken should this condition occur. [District Rules 2520 and 4621] Federally Enforceable Through Title V Permit
20. Switch loading shall not be conducted unless such transfer is made using an ARB certified vapor recovery system. [District Rules 2201 and 4621] Federally Enforceable Through Title V Permit
21. Operators shall conduct all performance tests required by the facility installation and operations manual as per the frequency outlined therein or as designated by the APCO. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
22. The operator shall perform and record the results of monthly leak and drainage inspections of the loading and vapor collection equipment at each loading arm. During the loading of gasoline or organic liquids, leak detection shall be conducted using EPA Method 21 measuring at a distance of one centimeter from the potential source. When not in current operation, excess drainage inspections shall be conducted before 10:00 am at the disconnect of each loading arm by collecting all drainage at disconnect in a container and determining the volume within one (1) minute of collection [District Rules 2520, 40 CFR 60.502(j) and 4624] Federally Enforceable Through Title V Permit
23. The leak detection instrument shall be calibrated each day of its use, prior to use, by the procedures specified in Method 21 using the following calibration gases: A) Zero air (less than 10 ppm of hydrocarbon in air); and B) Mixture of methane or n-hexane and air at a concentration of about, but less than, 10,000 ppm methane or n-hexane. [District Rules 2520, 9.3.2 and 4624] Federally Enforceable Through Title V Permit
24. Corrective steps shall be taken at any time the operator observes a leak or excess drainage at disconnect. All equipment found leaking shall be repaired or replaced within 72 hours. If the leaking component cannot be repaired or replaced within 72 hours, the component shall be taken out of service until such time the component is repaired or replaced. The repaired or replacement equipment shall be reinspected the first time the equipment is in operation after the repair or replacement. [District Rule 4624] Federally Enforceable Through Title V Permit
25. All inspections shall be documented within the inspection log. Inspection records shall include, at a minimum, 1) date of inspection, 2) location and description of any missing, loose, leaking, or damaged equipment and any malfunction requiring repair, 3) corrective steps taken to repair or replace the equipment, 4) test method and results for leak and drainage inspections, 5) location and description of any of equipment which shall be inspected upon commencing operation after repair or replacement and 6) inspector name and signature. [District Rules 4621 and 4624] Federally Enforceable Through Title V Permit
26. Records of daily throughput of each loading rack shall be maintained and made available to the APCO, ARB, or EPA during normal business hours. [District Rules 2201, 4621, and 4624] Federally Enforceable Through Title V Permit
27. The permittee shall maintain accurate records of exempt and non-exempt components and their associated function in the Operator Management Plan (OMP) as required in section 6.1 of Rule 4455. Permit holder shall update the Operator Management Plan when new components are installed. By January 30 of each year, an annual report indicating any changes to an existing Operator Management Plan shall be submitted to the APCO. [District Rule 4455] Federally Enforceable Through Title V Permit
28. Permit holder shall maintain accurate component count and resultant emissions according to CAPCOA's "California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-3a (Feb 1999), CAPCOA-Revised 1995 EPA Correlation Equations and Factors for Refineries and Marketing Terminals. Components shall be screened and leak rate shall be measured at least once each quarter. If compliance with the daily emission limit is shown during each of five (5) consecutive quarterly inspections, the inspection frequency may be changed from quarterly to annual. If any annual inspection shows non-compliance with the daily emission limit, then quarterly inspections shall be resumed. [District Rule 2201] Federally Enforceable Through Title V Permit
29. Copies of all records shall be retained for a minimum of five (5) years after the date of an entry. Such records shall be made available to the APCO, ARB, or US EPA upon request. [District Rules 1070, 4621, 4624, and 4455, 6.2.2, 6.2.3 & 6.2.4] Federally Enforceable Through Title V Permit



## AUTHORITY TO CONSTRUCT

**PERMIT NO:** S-37-150-0

**ISSUANCE DATE:** 07/09/2013

**LEGAL OWNER OR OPERATOR:** KERN OIL & REFINING CO.  
**MAILING ADDRESS:** 7724 E PANAMA LANE  
BAKERSFIELD, CA 93307-9210

**LOCATION:** PANAMA LN & WEEDPATCH HWY  
BAKERSFIELD, CA 93307-9210

**EQUIPMENT DESCRIPTION:**  
3000 BBBL ORGANIC LIQUID STORAGE TANK VENTED TO VAPOR CONTROL SYSTEM LISTED ON S-37-8

### 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. All piping, valves, and fittings shall be constructed and maintained in a leak free condition. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
4. A leak free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
5. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO



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DAVID WARNER, Director of Permit Services

6. Permittee shall maintain with the permit accurate fugitive component counts for components affixed to the tank and on piping from the tank to the vapor control system trunk line and resulting emissions calculated using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-2a (Feb 1999) 1995 EPA Protocol Refinery Screening Value Range Emissions Factors . [District Rules 2201 and 4455] Federally Enforceable Through Title V Permit
7. VOC fugitive emissions from the components affixed to the tank and on piping from tank to vapor control system trunk line shall not exceed 0.7 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
9. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
10. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
11. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
12. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
13. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2201] Federally Enforceable Through Title V Permit
14. The permittee shall maintain accurate records of exempt and non-exempt components and their associated function in the Operator Management Plan (OMP) as required in section 6.1 of Rule 4455. Permit holder shall update the Operator Management Plan when new components are installed. By January 30 of each year, an annual report indicating any changes to an existing Operator Management Plan shall be submitted to the APCO. [District Rule 4455]
15. All records required by this permit shall be retained for a minimum period of 5 years and shall be made available to the APCO, ARB and US EPA upon request. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
16. Prior to operating equipment under this Authority to Construct, permittee shall surrender emission reduction credits for the following quantities of emissions: 90 lb VOC/quarter. Offsets include the applicable offset ratio specified in Section 4.8 of Rule 2201 (as amended 4/21/11). [District Rule 2201] Federally Enforceable Through Title V Permit
17. ERC Certificate Number S-4023-1 (or certificate split from this certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit