



NOV 06 2013

Mr. John Haley
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1548
Project # 1133533**

Dear Mr. Haley:

The Air Pollution Control Officer has issued an Authority to Construct (S-1548-178-5) with a Certificate of Conformity to Aera Energy LLC at the light oil production stationary source in the western Kern County fields, NW Section 13, T28S, R20E. The project authorizes restatement of the VOC emissions limit from number of fugitive components to a Daily Emissions Limit (lb/day), addition of fugitive emissions component I & M conditions, and additional revisions and deletions of permit conditions. Enclosed is the Authority 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 September 27, 2013. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on September 24, 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.

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

Mr. John Haley
Page 2

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,

A handwritten signature in black ink, appearing to read "D. Warner", with a long horizontal flourish extending to the right.

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



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1548-178-5

ISSUANCE DATE: 11/04/2013

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: LIGHT OIL WESTERN STATIONARY SOURCE
CA

SECTION: NE13 TOWNSHIP: 28S RANGE: 20E

EQUIPMENT DESCRIPTION:

MODIFICATION OF SULFATREAT FUEL GAS SCRUBBING SYSTEM WITH LIQUID KNOCKOUT VESSEL AND CONTACTOR VESSEL: REPLACE COMPONENT LIMITS WITH EMISSIONS LIMIT, INCREASE COMPONENTS ASSIGNED TO EMISSIONS UNIT, ADD FUGITIVE EMISSIONS COMPONENTS I & M PLAN, DELETE H2S INLET MONITORING AND EXTRANEIOUS CLOSED VESSEL REQUIREMENT

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. No components (i.e., valves, flanges, etc.) associated with the Sulfa Treat unit shall be the source of any leak greater than 10,000 ppmv (as methane) when measured at a distance no greater than 1 cm from the potential source per EPA Method 21. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Effluent gas streams of Sulfa Treat system shall be monitored at least monthly for H2S content to determine when recharging is required. [District Rule 2201] Federally Enforceable Through Title V Permit
5. During recharging of the sulfur scrubber, untreated vapors shall not be introduced into the fuel system or vented to the atmosphere. [District Rule 2201] 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-1548-178-5 : Nov 4 2013 11:38AM - EDGEHLR : Joint Inspection NOT Required

6. VOC emissions from fugitive emissions components associated with this equipment shall not exceed 0.5 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Permittee shall maintain accurate component counts according to 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 < 10,000 ppmv. Permittee shall update such records when new components are approved and installed. [District Rule 2201] Federally Enforceable Through Title V Permit
8. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Any component found to be leaking on two consecutive annual inspections is in violation of this permit, even if it is under the voluntary inspection and maintenance program. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Operator shall visually inspect vessel shell, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the vessel and within five feet of the vessel 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 shell and roof of the vessel for structural integrity annually. [District Rule 2201] Federally Enforceable Through Title V Permit
11. 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 Rule 2201] Federally Enforceable Through Title V Permit
12. 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 one 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 Rule 2201] Federally Enforceable Through Title V Permit
13. 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 Rule 2201] Federally Enforceable Through Title V Permit
14. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified above shall not constitute a violation. Leaking components discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified above shall constitute a violation. [District Rule 2201] Federally Enforceable Through Title V Permit
15. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rule 2201] Federally Enforceable Through Title V Permit
16. The permittee shall keep accurate records of the dates of inspection and monitoring and the components inspected and monitored. [District Rule 2201] Federally Enforceable Through Title V Permit
17. 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 Rule 2201] Federally Enforceable Through Title V Permit
18. The following test method shall be used for fuel gas sulfur content - ASTM D3246 or double GC for H₂S and mercaptans. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

19. Record of H₂S content of effluent gas shall be maintained. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
20. All records of required monitoring data and support information shall be maintained for at least five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit