



APR 16 2014

Mr. Raymond Rodriquez
Occidental of Elk Hills
10800 Stockdale Hwy
Bakersfield, CA 93311

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-6848
Project # S-1133056**

Dear Mr. Rodriquez:

The Air Pollution Control Officer has issued an Authority to Construct (S-6848-12-1) with a Certificate of Conformity to Occidental of Elk Hills at SE/4 Section 35, Township 30S, Range 22E. The project is to install an 85 MMBtu/hr natural gas/propane/TEOR-fired steam generator. Enclosed are an 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 March 3, 2014. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on February 24, 2014. 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.

Also enclosed is an invoice for the engineering evaluation fees pursuant to District Rule 3010. Please remit the amount owed, along with a copy of the attached invoice, within 60 days.

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

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Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnaud Marjollet". The signature is written in a cursive style with a horizontal line underneath the name.

Arnaud Marjollet
Director of Permit Services

Enclosures

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



AUTHORITY TO CONSTRUCT

PERMIT NO: S-6848-12-1

ISSUANCE DATE: 04/14/2014

LEGAL OWNER OR OPERATOR: OCCIDENTAL OF ELK HILLS INC

MAILING ADDRESS: ATTN: DENNIS CHAMPION
PO BOX 1001
TUPMAN, CA 93276

LOCATION: HEAVY OIL WESTERN

SECTION: SE 35 **TOWNSHIP:** 30S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

85 MMBTU/HR NATURAL GAS/PROPANE/TEOR-FIRED STEAM GENERATOR WITH MAGNA-FLAME LE BURNER (OR EQUIVALENT) AND FLUE GAS RECIRCULATION

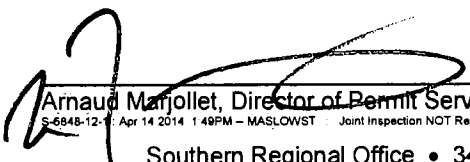
CONDITIONS

1. This Authority to Construct (ATC) cancels and supersedes Authority to Construct (ATC) S-6848-12-0. [District Rule 2201] Federally Enforceable Through Title V Permit
2. 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
3. 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
4. Prior to operating equipment under this Authority to Construct, permittee shall surrender NOX emission reduction credits for the following quantity of emissions: 1st quarter - 1582 lb, 2nd quarter - 1582 lb, 3rd quarter - 1582 lb, and fourth quarter - 1582 lb. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/06). [District Rule 2201] Federally Enforceable Through Title V Permit
5. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 1117 lb, 2nd quarter - 1117 lb, 3rd quarter - 1117 lb, and fourth quarter - 1117 lb. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 9/21/06). [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


Arnaud Marjollet, Director of Permit Services
S-6848-12-1 Apr 14 2014 1:49PM - MASLOWST Joint Inspection NOT Required

6. ERC Certificate numbers S-2824-2, S-1704-1 and S-1708-1 (or a certificate split from these 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
7. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this Authority to Construct. Approval of the equivalent equipment shall be made only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the specifically authorized equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
8. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emission rates, equipment drawing(s), and operational characteristics/parameters. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Alternate equipment shall be of the same class and category of source as the equipment authorized by the Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
10. No emission factor and no emission shall be greater for the alternate equipment than for the proposed equipment. No changes in the hours of operation, operating rate, throughput, or firing rate may be authorized for any alternate equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
11. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
12. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
13. 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] Federally Enforceable Through Title V Permit
14. The unit shall only be fired on gaseous fuel that includes PUC quality natural gas, propane and gas produced during thermally enhanced oil recovery (TEOR) operation or a mixture of any of these fuels. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Sulfur content in PUC quality natural gas and gas produced during thermally enhanced oil recovery (TEOR) shall not exceed 1.0 grain per 100 dry standard cubic feet. [District Rules 2201, 4301, and 4320] Federally Enforceable Through Title V Permit
16. Sulfur content in propane fuel shall not exceed 2.5 grain per 100 dry standard cubic feet. [District Rules 2201, 4301, and 4320] Federally Enforceable Through Title V Permit
17. Emission rates shall not exceed: PM10: 0.005 lb/MMBtu, VOC: 0.006 lb/MMBtu, 7 ppmvd NOx @ 3% O2 or 0.0085 lb-NOx/MMBtu, or CO: 30 ppmv @ 3% O2 or 0.022 lb-CO/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
18. 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 quarterly. If a quarterly fuel content source test fails to show compliance, weekly testing shall resume. When fired on propane fuel, weekly demonstration is not required and operator shall retain all third party fuel supplier analyses on site. [District Rule 1070, 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
19. Testing to demonstrate compliance with the sulfur content limit is not required when the unit is fired on PUC certified gas. [District Rule 2201] Federally Enforceable Through Title V Permit
20. Testing to demonstrate compliance with the sulfur content limit is not required when the unit is fired on propane. Operator shall maintain fuel analyses for all propane shipments. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. 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 GC-FPD/TCD, double GC for H₂S and mercaptans, performed in the laboratory. Should the applicant decide to use different methodology, the methodology must be approved by the District prior to its use. [District Rule 1070, 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. If fuel analysis is used to demonstrate compliance with the conditions of this permit, the fuel higher heating value for each fuel shall be certified by third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. Source testing to measure fuel combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial start-up. Source test shall be conducted using a gas mixture including PUC-quality natural gas and the expected amounts of thermally enhanced oil recovery (TEOR) gas for PM₁₀ emissions testing. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. 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 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. 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 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
30. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rule 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

31. 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] Federally Enforceable Through Title V Permit
32. NOx emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. Stack gas oxygen (O2) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. 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 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
37. 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, 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit