



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT



**HEALTHY AIR LIVING™**

**MAY 07 2014**

Rod Nahama  
Midway Sunset Investors, LLC  
602 H St, Suite 150  
Bakersfield, CA 93304

**RE: Notice of Final Action - Authority to Construct**  
**Facility Number: S-7059**  
**Project Number: S-1134490**

Dear Mr. Nahama:

The Air Pollution Control Officer has issued the Authority to Construct permits to Midway Sunset Investors, LLC for installation of a flare which will incinerate well casing gas and to lower the throughput limit of a storage tank, at the Midway Sunset Oil Field, within Section 2, Township 11N, Range 24W. Enclosed are the Authority to Construct permits 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 permits was published on 3/28/14. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on 3/25/14. 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,

Arnaud Marjollet  
Director of Permit Services

AM:DBT/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



## AUTHORITY TO CONSTRUCT

PERMIT NO: S-7059-6-1

ISSUANCE DATE: 04/29/2014

LEGAL OWNER OR OPERATOR: MIDWAY-SUNSET INVESTORS LLC

MAILING ADDRESS: 602 H ST, SUITE 150  
BAKERSFIELD, CA 93304

LOCATION: HEAVY OIL WESTERN, CA  
BAKERSFIELD, CA

SECTION: 02 TOWNSHIP: 11N RANGE: 24W

**EQUIPMENT DESCRIPTION:**

MODIFICATION OF 1,000 BBL. FIXED ROOF CRUDE OIL STORAGE TANK: LOWER ANNUAL THROUGHPUT

### CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rules 2201 and 4623]
3. Crude oil throughput shall not exceed 200 barrels per day based on a monthly average. [District Rule 2201]
4. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rules 2201 and 4623]
5. The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287 e1 "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Sampling for API gravity shall be performed in accordance with ASTM Method D 4057 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products." [District Rules 2201 and 4623]
6. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rules 2201 and 4623]
7. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rules 2201 and 4623]

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

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8. Permittee shall submit the records of TVP and API gravity testing to the APCO within 45 days after the date of testing. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rules 2201 and 4623]
9. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rules 2201 and 4623]
10. The permittee shall keep accurate records of each organic liquid stored in the tank, including its storage temperature, TVP, and API gravity. [District Rules 2201 and 4623]
11. All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rules 2201 and 4623]
12. To maintain status as small producer permittee's crude oil production shall average less than 6,000 bbl/day from all operations within Kern County and permittee shall not engage in refining, transporting or marketing of refined petroleum products. [District Rules 3020 and 4623]
13. Formerly S-1549-34.
14. Formerly S-1987-27-0.
15. Formerly S-2406-9-0.



## AUTHORITY TO CONSTRUCT

**PERMIT NO:** S-7059-10-1

**ISSUANCE DATE:** 04/29/2014

**LEGAL OWNER OR OPERATOR:** MIDWAY-SUNSET INVESTORS LLC

**MAILING ADDRESS:** 602 H ST, SUITE 150  
BAKERSFIELD, CA 93304

**LOCATION:** HEAVY OIL WESTERN, CA  
BAKERSFIELD, CA

**SECTION: 2 TOWNSHIP: 11N RANGE: 24W**

**EQUIPMENT DESCRIPTION:**

MODIFICATION OF TEOR OPERATION WITH UP TO 10 STEAM ENHANCED PRODUCTION WELLS WITH CASING GAS COLLECTION SYSTEM, 75 BBL PHASE SEPARATOR AND 1.2 MMBTU PERMIT EXEMPT PETROTHERM HEATER. CONNECT TO FLARE S-7059-11

### CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. No more than 10 steam-enhanced oil recovery wells shall be operated at all locations authorized by this permit. [District Rule 2201]
3. Total VOC emissions shall be reduced by at least 99% by vapor control system. [District Rule 4401]
4. Permittee shall determine VOC and sulfur content of TEOR gas upon startup and annually thereafter. Gas analysis shall be performed using ASTM D-3588. [District Rule 2201]
5. Vapors from steam enhanced wells and phase separator shall be incinerated in permit exempt 1.2 MMBtu Petrotherm heater or flare S-7059-11. [District Rule 2201]
6. Fugitive VOC emissions from the TEOR operation shall not exceed 0.41 lb/day. [District Rule 2201]
7. Permittee shall inspect all components service quarterly for leaks with a portable hydrocarbon detection instrument to ensure compliance with the provisions of this permit. [District Rule 2201 and 4401]
8. Permittee shall implement an I&M program consistent with the requirements of Rule 4401. [District Rule 4401]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

Arnaud Marjollet, Director of Permit Services

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9. Permittee shall maintain records of the date and well identification where steam injection or well stimulation occurs, current list of all thermally enhanced production wells associated with this operation, leak inspection results, and accurate fugitive component counts of components in gas service and resulting emissions calculated using the emission factors in the CAPCOA California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities, Table IV-2c, Oil and Gas Production Screening Value Ranges Emission Factors (Feb 1999). [District Rules 2201 and 4401]
10. The operator 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]
11. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401]
12. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4401 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Section 4.0 of Rule 4401. [District Rule 4401]
13. The operator shall maintain an inspection log that has been signed and dated by the facility operator responsible for the inspection, certifying the accuracy of the information recorded in the log. The inspection log shall contain, at a minimum, all of the following information: 1) The total number of components inspected, and the total number and percentage of leaking components found by component types; 2) The location, type, name or description of each leaking component and the description of any unit where the leaking component is found; 3) Date of the leak detection and method of the leak detection; 4) For gaseous leaks, record the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of the leaking component(s); 6) The identification and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes first; 7) The method(s) used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number; and 10) The date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401]
14. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4401]
15. 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]
16. ATC S-7059-11-0 shall be implemented prior to or concurrently with this ATC. [District Rule 2201]



## AUTHORITY TO CONSTRUCT

**PERMIT NO:** S-7059-11-0

**ISSUANCE DATE:** 04/29/2014

**LEGAL OWNER OR OPERATOR:** MIDWAY-SUNSET INVESTORS LLC

**MAILING ADDRESS:** 602 H. ST., SUITE 150  
BAKERSFIELD, CA 93304

**LOCATION:** HEAVY OIL WESTERN, CA  
BAKERSFIELD, CA

**SECTION:** 2 **TOWNSHIP:** 11N **RANGE:** 24W

**EQUIPMENT DESCRIPTION:**  
100 MSCF/DAY COANDA EFFECT FLARE

### CONDITIONS

1. The flare flame shall be present at all times when combustible gases are vented through the flare. [District Rules 2201 and 4311]
2. 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]
3. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of non-pilot gas combusted in the unit shall be installed, utilized and maintained. [District Rules 2201 and 4311]
4. Gas flow rate to flare, excluding pilot fuel, shall not exceed 100 Mscf per day. [District Rule 2201]
5. The following emissions factors shall be used to calculate flare emissions (based on total gas combusted): NOx (as NO2): 0.068 lb/MMBtu; PM10: 0.008 lb/MMBtu; CO: 0.37 lb/MMBtu; or VOC: 0.063 lb/MMBtu. [District Rule 2201]
6. Sulfur content of flared gas shall not exceed 5.0 gr S/100 scf. [District Rule 2201]
7. Flare outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311]

CONDITIONS CONTINUE ON NEXT PAGE

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8. Except for flares equipped with a flow-sensing ignition system, a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device, capable of continuously detecting the presence of at least one pilot flame or the flare flame, shall be installed and operated. [District Rule 4311]
9. If the flare uses a flow-sensing automatic ignition system and does not use a continuous flame pilot, the flare shall use purge gas for purging. [District Rule 4311]
10. Permittee shall keep accurate daily records of flare gas volumes and sulfur content of flared gas and such records shall be retained for a period of 5 years and be made readily available for District inspection upon request. [District Rule 2201]
11. The permittee shall maintain, and make available for District inspection, all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 4311]
12. Records shall be kept of sulfur content of the flared gas as determined once every 24 months using ASTM D3246 Test Method or other approved method(s). [District Rule 2201]
13. 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 inspection upon request. [District Rules 1070, 4311, and 4401]
14. ATC S-7059-6-1 shall be implemented prior to or concurrently with this ATC. [District Rule 2201]