



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



JUN 24 2014

Ms. Melinda Hicks
Kern Oil & Refining Company
7724 East Panama Lane
Bakersfield CA 93307

Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-37
Project # S-1134365

Dear Ms. Hicks:

The Air Pollution Control Officer has issued Authorities to Construct (S-37-130-2 and S-37-131-2) with Certificates of Conformity to Kern Oil & Refining Company at 7724 E Panama Lane, Bakersfield. Kern Oil is proposing to increase the allowable TVP to 7.96 psia for tanks S-37-130 and -131. 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 5/6/14. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on 5/6/14. 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,

Arnaud Marjollet
Director of Permit Services

AM:WJ/st

Enclosures

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

Sayed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95358-8718
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



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



AUTHORITY TO CONSTRUCT

PERMIT NO: S-37-130-2

ISSUANCE DATE: 06/19/2014

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:

MODIFICATION OF 74,000 BBL INTERNAL FLOATING ROOF ORGANIC LIQUID STORAGE TANK, WELDED CONSTRUCTION WITH METALLIC SHOE PRIMARY SEAL AND WIPER SECONDARY SEAL (TANK #74000): INCREASE TVP LIMIT TO 7.96 PSIA

CONDITIONS

1. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter: 846 lb., 2nd quarter: 846 lb., 3rd quarter: 846 lb., and fourth quarter: 846 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
2. ERC Certificate Number S-4118-1 (or a certificate split from this certificate) 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
3. 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
4. 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

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-37-130-2: Jun 19 2014 4:32PM - JONESBW : Joint Inspection NOT Required

5. Gaps between the tank shell and the primary seal shall not exceed 1 1/2 inches. [District Rule 4623] Federally Enforceable Through Title V Permit
6. The cumulative length of all gaps between the tank shell and the primary seal greater than 1/2 inch shall not exceed 10% of the circumference of the tank. [District Rule 4623] Federally Enforceable Through Title V Permit
7. The cumulative length of all primary seal gaps greater than 1/8 inch shall not exceed 30% of the circumference of the tank. [District Rule 4623] Federally Enforceable Through Title V Permit
8. No continuous gap in the primary seal greater than 1/8 inch wide shall exceed 10% of the tank circumference. [District Rule 4623] Federally Enforceable Through Title V Permit
9. No gap between the tank shell and the secondary seal shall exceed 1/2 inch. [District Rule 4623] Federally Enforceable Through Title V Permit
10. The cumulative length of all gaps between the tank shell and the secondary seal, greater than 1/8 inch shall not exceed 5% of the tank circumference. [District Rule 4623] Federally Enforceable Through Title V Permit
11. The metallic shoe-type seal shall be installed so that one end of the shoe extends into the stored liquid and the other end extends a minimum vertical distance of 18 inches above the stored liquid surface. [District Rule 4623] Federally Enforceable Through Title V Permit
12. The geometry of the metallic-shoe type seal shall be such that the maximum gap between the shoe and the tank shell shall be no greater than 3 inches for a length of at least 18 inches in the vertical plane above the liquid. [District Rule 4623] Federally Enforceable Through Title V Permit
13. There shall be no holes, tears, or openings in the secondary seal or in the primary seal envelope that surrounds the annular vapor space enclosed by the roof edge, seal fabric, and secondary seal. [District Rule 4623] Federally Enforceable Through Title V Permit
14. The secondary seal shall allow easy insertion of probes of up to 1 1/2 inches in width in order to measure gaps in the primary seal. [District Rule 4623] Federally Enforceable Through Title V Permit
15. The secondary seal shall extend from the roof to the tank shell and shall not be attached to the primary seal. [District Rule 4623] Federally Enforceable Through Title V Permit
16. All openings in the roof used for sampling and gauging, except pressure-vacuum valves which shall be set to within 10% of the maximum allowable working pressure of the roof, shall provide a projection below the liquid surface to prevent belching of liquid and to prevent entrained or formed organic vapor from escaping from the liquid contents of the tank and shall be equipped with a cover, seal or lid that shall be in a closed position at all times, with no visible gaps and be leak-free, except when the device or appurtenance is in use. [District Rule 4623] Federally Enforceable Through Title V Permit
17. Each opening in the internal floating roof except for leg sleeves, automatic bleeder vents, rim space vents, column wells, ladder wells, sample wells, and stub drains is to be equipped with a cover or lid which is to be maintained in a closed position at all times (i.e., no visible gap) except when the device is in actual use. The cover or lid shall be equipped with a gasket. Covers on each access hatch and automatic gauge float well shall be bolted except when they are in use. [District Rule 4623] Federally Enforceable Through Title V Permit
18. Automatic bleeder vents shall be equipped with a gasket and shall be closed at all times when the roof is floating except when the roof is being floated off or is being landed on the roof leg supports. [District Rule 4623] Federally Enforceable Through Title V Permit
19. Rim vents shall be equipped with a gasket and are to be set to open only when the internal floating roof is not floating or at the manufacturer's recommended setting. [District Rule 4623] Federally Enforceable Through Title V Permit
20. Each penetration of the internal floating roof for the purpose of sampling shall be a sample well. The well shall have a slit fabric cover that covers at least 90% of the opening. The fabric cover must be impermeable. [District Rule 4623] Federally Enforceable Through Title V Permit
21. Each penetration of the internal floating roof that allows for passage of a column supporting the fixed roof shall have a flexible fabric sleeve seal or a gasketed sliding cover. The fabric sleeve must be impermeable. [District Rule 4623] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

22. The permittee shall conduct actual gap measurements of the primary seal and/or secondary seal at least once every 60 months. [District Rule 4623] Federally Enforceable Through Title V Permit
23. Permittee shall submit the reports of the floating roof tank inspections to the APCO within five calendar days after the completion of the inspection only for those tanks that failed to meet the applicable requirements of Rule 4623, Sections 5.2 through 5.5. The inspection report for tanks that have been determined to be in compliance with the requirements of Sections 5.2 through 5.5 need not be submitted to the APCO, but the inspection report shall be kept on-site and made available upon request by the APCO. The inspection report shall contain all necessary information to demonstrate compliance with the provisions of Rule 4623. [District Rule 4623] Federally Enforceable Through Title V Permit
24. Permittee shall maintain the records of the internal floating roof landing activities that are performed pursuant to Rule 4623, Sections 5.3.1.3 and 5.4.3. The records shall include information on the true vapor pressure (TVP), API gravity, storage temperature, type of organic liquid stored in the tank, the purpose of landing the roof on its legs, the date of roof landing, duration the roof was on its legs, the level or height at which the tank roof was set to land on its legs, and the lowest liquid level in the tank. [District Rule 4623] Federally Enforceable Through Title V Permit
25. This tank shall only store, place, or hold organic liquid with a tank vapor pressure (TVP) of less than, or equal to 7.96 psia under all storage conditions. [District Rule 2201] Federally Enforceable Through Title V Permit
26. The total organic liquid throughput for tanks S-37-130 and '131 shall not exceed either of the following: 26,356 barrels per day or 9,620,000 barrels per year. [District Rule 2201] Federally Enforceable Through Title V Permit
27. Combined VOC emission rate from tanks S-37-130 and '131 shall not exceed 20.5 lb/day and 7,466 lb/year. [District Rule 2201] Federally Enforceable Through Title V Permit
28. 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. [District Rule 2201] Federally Enforceable Through Title V Permit
29. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. [District Rule 2201] Federally Enforceable Through Title V Permit
30. Vapor pressure of stored liquids shall be determined as described in section 6.4 of District Rule 4623. [District Rule 4623, 6.2] Federally Enforceable Through Title V Permit
31. Permittee shall submit the records of TVP 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 of the organic liquid, test methods used, and a copy of the test results. [District Rule 2201] Federally Enforceable Through Title V Permit
32. Permittee shall maintain monthly records of average daily crude oil throughput and shall keep accurate records of each organic liquid stored in the tank, including its storage temperature, and TVP. [District Rule 2201] Federally Enforceable Through Title V Permit
33. Daily emissions will be determined based on using monthly throughput data and number of days per month. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
34. The tank shall be equipped with a fixed roof with an internal floating type cover equipped with two seals mounted one above the other so that each forms a continuous closure that completely covers the space between the wall of the storage vessel and the edge of the internal floating roof. [40 CFR 60.112b(a)(1)(ii)] Federally Enforceable Through Title V Permit
35. The internal floating roof shall rest or float on the liquid surface (but not necessarily in complete contact with it) inside a storage vessel that has a fixed roof. The internal roof shall be floating on the liquid surface except during initial fill and when the storage vessel is completely emptied or subsequently emptied and refilled. When the roof is resting on the leg supports, the process of filling, emptying, or refilling shall be continuous and shall be accomplished as rapidly as possible. Whenever the permittee intends to land the roof on its legs, the permittee shall notify the APCO in writing at least five days prior to performing the work. [District Rule 4623, and 40 CFR 60.112b(a)(i)] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

36. Each opening in a non-contact internal floating roof, except for automatic bleeder vents (vacuum breaker vents) and rim space vents, shall provide a projection below the liquid surface. [District Rule 4623 and 40 CFR 60.112b(a)(1)(iii)] Federally Enforceable Through Title V Permit
37. Each opening in the internal floating roof except for leg sleeves, automatic bleeder vents, rim space vents, column wells, ladder wells, sample wells, and stub drains shall be equipped with a cover, or a lid shall be maintained in a closed position at all times (i.e. no visible gaps) except when the device is in use. The cover or lid shall be equipped with a gasket. Covers on each access hatch and automatic gauge float well shall be bolted in place except when they are in use. [District Rule 4623 and 40 CFR 60.112b(a)(1)(iv)] Federally Enforceable Through Title V Permit
38. Automatic bleeder vents shall be equipped with a gasket and shall be closed at all times when the roof is floating except when the roof is being floated off or is being landed on the leg roof supports. [District Rule 4623 and 40 CFR 60.112b(a)(1)(v)] Federally Enforceable Through Title V Permit
39. Rim vents shall be equipped with a gasket and shall be set to open only when the internal floating roof is not floating or at the manufacturer's recommended setting. [District Rule 4623 and 40 CFR 60.112b(a)(1)(vi)] Federally Enforceable Through Title V Permit
40. Each penetration of the internal floating roof for the purpose of sampling shall be a sample well. The well shall have a slit fabric cover that covers at least 90 percent of the opening. The fabric cover must be impermeable. [District Rule 4623 and 40 CFR 60.112b(a)(1)(vii)] Federally Enforceable Through Title V Permit
41. Each penetration of the internal floating roof that allows for the passage of a column supporting the fixed roof shall have a flexible fabric sleeve seal or a gasketed sliding cover. The fabric sleeve must be impermeable. [District Rule 4623 and 40 CFR 60.112b(a)(1)(viii)] Federally Enforceable Through Title V Permit
42. Each penetration of the internal floating roof that allows for passage of a ladder shall have a gasketed sliding cover. [40 CFR 60.112b(a)(1)(ix)] Federally Enforceable Through Title V Permit
43. The permittee shall visually inspect the internal floating roof, and its appurtenant parts, fittings, etc. and measure the gaps of the primary seal and/or secondary seal prior to filling the tank for newly constructed, repair, or rebuilt internal floating roof tanks. If holes, tears, or openings in the primary seal, the secondary seal, the seal fabric or defects in the internal floating roof or its appurtenant parts, components, fittings, etc., are found, they shall be repaired prior to filling the tank. [District Rule 4623 and 40 CFR 60.113b(a)(1)] Federally Enforceable Through Title V Permit
44. The permittee shall visually inspect, through the manholes, roof hatches, or other openings on the fixed roof, the internal floating roof and its appurtenant parts, fittings, etc., and the primary seal and/or secondary seal at least once every 12 months after the tank is initially filled with an organic liquid. There should be no visible organic liquid on the roof, tank walls, or anywhere. Other than the gap criteria specified by this rule, no holes, tears, or other openings are allowed that would permit the escape of vapors. Any defects found are violations of this rule. [District Rule 4623 and 40 CFR 60.113b(a)(2)] Federally Enforceable Through Title V Permit
45. The permittee shall maintain records of all visual inspections required by this permit. Each record shall identify the storage vessel on which the inspection was performed, the date the vessel was inspected and the observed condition of each component of the control equipment (seals, internal floating roof, and fittings). [40 CFR 60.115b(a)(2)] Federally Enforceable Through Title V Permit
46. Operator shall maintain a record showing the dimension of the storage vessel and an analysis showing the capacity of the storage vessel. The record shall be maintained for the life of the vessel. [40 CFR 60.116b(b)] Federally Enforceable Through Title V Permit
47. Operator shall keep a record of the liquids stored in this container, the period of storage, the storage temperature, the maximum true vapor pressure (TVP) of that liquid during the respective storage period and API gravity. [District Rule 4623 and 40 CFR 60.116b(c)] Federally Enforceable Through Title V Permit
48. Operator of each storage vessel, either with a design capacity greater than or equal to 151 m³ storing a liquid with a maximum true vapor pressure that is normally less than 0.75 psia or with a design capacity greater than or equal to 75 m³ but less than 151 m³ storing a liquid with a maximum true vapor pressure normally less than 4.0 psia, shall notify the APCO within 30 days when the maximum true vapor pressure of the liquid exceeds the respective maximum true vapor pressure values for each volume range. [40CFR 60.116b(d)] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

49. For storage vessels operated above or below ambient temperatures, the operator shall calculate the maximum true vapor pressure based upon the highest expected calendar-month average of the storage temperature. For vessels operated at ambient temperatures, the maximum true vapor pressure is calculated based upon the maximum local monthly average ambient temperature as reported by the National Weather Service. [40 CFR 60.116b(e)(1)] Federally Enforceable Through Title V Permit
50. Maximum true vapor pressure, for crude oil or refined petroleum products, may be determined from nomographs contained in API Bulletin 2517, by using the typical Reid vapor pressure and the maximum expected storage temperature based on the highest expected calendar-month average temperature of the stored product, unless the APCO specifically requests that the liquid be sampled, the actual storage temperature determined, and the Reid vapor pressure determined from the sample(s). [40 CFR 60.116b(e)(2)(i)] Federally Enforceable Through Title V Permit
51. Operator shall determine the true vapor pressure of each type of crude oil with a Reid vapor pressure less than 2.0 psia or whose physical properties preclude determination by the recommended method from available data and record if the true vapor pressure is greater than 0.5 psia. [40 CFR 60.116b(e)(2)(ii)] Federally Enforceable Through Title V Permit
52. Operator shall determine the true vapor pressure of each VOL, other than crude oil or refined petroleum products, from standard reference texts, by ASTM Method D2879, or by using an appropriate method approved by EPA. [40 CFR 60.116b(e)(3)] Federally Enforceable Through Title V Permit
53. Operator of a tank storing a waste mixture of indeterminate or variable composition shall determine the highest maximum true vapor pressure for the range of liquid compositions to be stored prior to the initial filling, using methods specified for maximum true vapor pressure in this permit. [40 CFR 60.116b(f)] Federally Enforceable Through Title V Permit
54. The permittee shall submit the reports of the floating roof tank inspections to the APCO within five calendar days after the completion of the inspection only for those tanks that failed to meet the applicable requirements of Rule 4623, Sections 5.2 through 5.5. The inspection report for tanks that have been determined to be in compliance with the requirements of Sections 5.2 through 5.5 need not be submitted to the APCO, but the inspection report shall be kept on-site and made available upon request by the APCO. The inspection report shall contain all necessary information to demonstrate compliance with the provisions of this rule, including the following: 1) Date of inspection and names and titles of company personnel doing the inspection. 2) Tank identification number and Permit to Operate number. 3) Measurements of the gaps between the tank shell and primary and secondary seals. 4) Leak-free status of the tank and floating roof deck fittings. Records of the leak-free status shall include the vapor concentration values measured in parts per million by volume (ppmv). 5) Data, supported by calculations, demonstrating compliance with the requirements specified in Sections 5.3, 5.5.2.3.3, 5.5.2.4.2, and 5.5.2.4.3 of Rule 4623. 6) Any corrective actions or repairs performed on the tank in order to comply with rule 4623 and the date(s) such actions were taken. [District Rule 4623 and 40 CFR 60.115b(a)(3)] Federally Enforceable Through Title V Permit
55. 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 inspect the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rule 4326, Table 5] Federally Enforceable Through Title V Permit
56. 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 4623, Table 5] Federally Enforceable Through Title V Permit
57. 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 4623, Table 5] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

58. 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 4623, Table 5] Federally Enforceable Through Title V Permit
59. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 5 shall not constitute a violation of this rule. Leaking components as defined by District Rule 4623 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 in District Rule 4623, Table 5 shall constitute a violation of this rule. [District Rule 4623, Table 5] Federally Enforceable Through Title V Permit
60. 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 4623, Table 5] Federally Enforceable Through Title V Permit
61. Any component found to be leaking on two consecutive annual inspections is in violation of this rule, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 5] Federally Enforceable Through Title V Permit
62. Records shall be kept of each inspection performed. Each record shall identify the storage vessel on which the inspection was performed and shall contain the date the vessel was inspected and the observed condition of each component of the control equipment (seals, internal floating roof, and fittings). [District Rule 2201] Federally Enforceable Through Title V Permit
63. 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 Rule 1070]



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT


HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-37-131-2

ISSUANCE DATE: 06/19/2014

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:

MODIFICATION OF 74,000 BBL INTERNAL FLOATING ROOF ORGANIC LIQUID STORAGE TANK, WELDED CONSTRUCTION WITH METALLIC SHOE PRIMARY SEAL AND WIPER SECONDARY SEAL (TANK #74001): INCREASE TVP LIMIT TO 7.96 PSIA

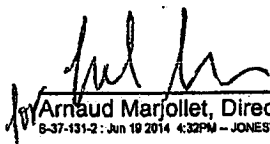
CONDITIONS

1. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter: 846 lb., 2nd quarter: 846 lb., 3rd quarter: 846 lb., and fourth quarter: 846 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
2. ERC Certificate Number S-4118-1 (or a certificate split from this certificate) 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
3. 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
4. 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

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-37-131-2: Jun 19 2014 4:32PM - JONESW : Joint Inspection NOT Required

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585

5. Gaps between the tank shell and the primary seal shall not exceed 1 1/2 inches. [District Rule 4623] Federally Enforceable Through Title V Permit
6. The cumulative length of all gaps between the tank shell and the primary seal greater than 1/2 inch shall not exceed 10% of the circumference of the tank. [District Rule 4623] Federally Enforceable Through Title V Permit
7. The cumulative length of all primary seal gaps greater than 1/8 inch shall not exceed 30% of the circumference of the tank. [District Rule 4623] Federally Enforceable Through Title V Permit
8. No continuous gap in the primary seal greater than 1/8 inch wide shall exceed 10% of the tank circumference. [District Rule 4623] Federally Enforceable Through Title V Permit
9. No gap between the tank shell and the secondary seal shall exceed 1/2 inch. [District Rule 4623] Federally Enforceable Through Title V Permit
10. The cumulative length of all gaps between the tank shell and the secondary seal, greater than 1/8 inch shall not exceed 5% of the tank circumference. [District Rule 4623] Federally Enforceable Through Title V Permit
11. The metallic shoe-type seal shall be installed so that one end of the shoe extends into the stored liquid and the other end extends a minimum vertical distance of 18 inches above the stored liquid surface. [District Rule 4623] Federally Enforceable Through Title V Permit
12. The geometry of the metallic-shoe type seal shall be such that the maximum gap between the shoe and the tank shell shall be no greater than 3 inches for a length of at least 18 inches in the vertical plane above the liquid. [District Rule 4623] Federally Enforceable Through Title V Permit
13. There shall be no holes, tears, or openings in the secondary seal or in the primary seal envelope that surrounds the annular vapor space enclosed by the roof edge, seal fabric, and secondary seal. [District Rule 4623] Federally Enforceable Through Title V Permit
14. The secondary seal shall allow easy insertion of probes of up to 1 1/2 inches in width in order to measure gaps in the primary seal. [District Rule 4623] Federally Enforceable Through Title V Permit
15. The secondary seal shall extend from the roof to the tank shell and shall not be attached to the primary seal. [District Rule 4623] Federally Enforceable Through Title V Permit
16. All openings in the roof used for sampling and gauging, except pressure-vacuum valves which shall be set to within 10% of the maximum allowable working pressure of the roof, shall provide a projection below the liquid surface to prevent belching of liquid and to prevent entrained or formed organic vapor from escaping from the liquid contents of the tank and shall be equipped with a cover, seal or lid that shall be in a closed position at all times, with no visible gaps and be leak-free, except when the device or appurtenance is in use. [District Rule 4623] Federally Enforceable Through Title V Permit
17. Each opening in the internal floating roof except for leg sleeves, automatic bleeder vents, rim space vents, column wells, ladder wells, sample wells, and stub drains is to be equipped with a cover or lid which is to be maintained in a closed position at all times (i.e., no visible gap) except when the device is in actual use. The cover or lid shall be equipped with a gasket. Covers on each access hatch and automatic gauge float well shall be bolted except when they are in use. [District Rule 4623] Federally Enforceable Through Title V Permit
18. Automatic bleeder vents shall be equipped with a gasket and shall be closed at all times when the roof is floating except when the roof is being floated off or is being landed on the roof leg supports. [District Rule 4623] Federally Enforceable Through Title V Permit
19. Rim vents shall be equipped with a gasket and are to be set to open only when the internal floating roof is not floating or at the manufacturer's recommended setting. [District Rule 4623] Federally Enforceable Through Title V Permit
20. Each penetration of the internal floating roof for the purpose of sampling shall be a sample well. The well shall have a slit fabric cover that covers at least 90% of the opening. The fabric cover must be impermeable. [District Rule 4623] Federally Enforceable Through Title V Permit
21. Each penetration of the internal floating roof that allows for passage of a column supporting the fixed roof shall have a flexible fabric sleeve seal or a gasketed sliding cover. The fabric sleeve must be impermeable. [District Rule 4623] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

22. The permittee shall conduct actual gap measurements of the primary seal and/or secondary seal at least once every 60 months. [District Rule 4623] Federally Enforceable Through Title V Permit
23. Permittee shall submit the reports of the floating roof tank inspections to the APCO within five calendar days after the completion of the inspection only for those tanks that failed to meet the applicable requirements of Rule 4623, Sections 5.2 through 5.5. The inspection report for tanks that have been determined to be in compliance with the requirements of Sections 5.2 through 5.5 need not be submitted to the APCO, but the inspection report shall be kept on-site and made available upon request by the APCO. The inspection report shall contain all necessary information to demonstrate compliance with the provisions of Rule 4623. [District Rule 4623] Federally Enforceable Through Title V Permit
24. Permittee shall maintain the records of the internal floating roof landing activities that are performed pursuant to Rule 4623, Sections 5.3.1.3 and 5.4.3. The records shall include information on the true vapor pressure (TVP), API gravity, storage temperature, type of organic liquid stored in the tank, the purpose of landing the roof on its legs, the date of roof landing, duration the roof was on its legs, the level or height at which the tank roof was set to land on its legs, and the lowest liquid level in the tank. [District Rule 4623] Federally Enforceable Through Title V Permit
25. This tank shall only store, place, or hold organic liquid with a tank vapor pressure (TVP) of less than, or equal to 7.96 psia under all storage conditions. [District Rule 2201] Federally Enforceable Through Title V Permit
26. The total organic liquid throughput for tanks S-37-130 and '131 shall not exceed either of the following: 26,356 barrels per day or 9,620,000 barrels per year. [District Rule 2201] Federally Enforceable Through Title V Permit
27. Combined VOC emission rate from tanks S-37-130 and '131 shall not exceed 20.5 lb/day and 7,466 lb/year. [District Rule 2201] Federally Enforceable Through Title V Permit
28. 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. [District Rule 2201] Federally Enforceable Through Title V Permit
29. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. [District Rule 2201] Federally Enforceable Through Title V Permit
30. Vapor pressure of stored liquids shall be determined as described in section 6.4 of District Rule 4623. [District Rule 4623, 6.2] Federally Enforceable Through Title V Permit
31. Permittee shall submit the records of TVP 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 of the organic liquid, test methods used, and a copy of the test results. [District Rule 2201] Federally Enforceable Through Title V Permit
32. Permittee shall maintain monthly records of average daily crude oil throughput and shall keep accurate records of each organic liquid stored in the tank, including its storage temperature, and TVP. [District Rule 2201] Federally Enforceable Through Title V Permit
33. Daily emissions will be determined based on using monthly throughput data and number of days per month. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
34. The tank shall be equipped with a fixed roof with an internal floating type cover equipped with two seals mounted one above the other so that each forms a continuous closure that completely covers the space between the wall of the storage vessel and the edge of the internal floating roof. [40 CFR 60.112b(a)(1)(ii)] Federally Enforceable Through Title V Permit
35. The internal floating roof shall rest or float on the liquid surface (but not necessarily in complete contact with it) inside a storage vessel that has a fixed roof. The internal roof shall be floating on the liquid surface except during initial fill and when the storage vessel is completely emptied or subsequently emptied and refilled. When the roof is resting on the leg supports, the process of filling, emptying, or refilling shall be continuous and shall be accomplished as rapidly as possible. Whenever the permittee intends to land the roof on its legs, the permittee shall notify the APCO in writing at least five days prior to performing the work. [District Rule 4623, and 40 CFR 60.112b(a)(i)] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

36. Each opening in a non-contact internal floating roof, except for automatic bleeder vents (vacuum breaker vents) and rim space vents, shall provide a projection below the liquid surface. [District Rule 4623 and 40 CFR 60.112b(a)(1)(iii)] Federally Enforceable Through Title V Permit
37. Each opening in the internal floating roof except for leg sleeves, automatic bleeder vents, rim space vents, column wells, ladder wells, sample wells, and stub drains shall be equipped with a cover, or a lid shall be maintained in a closed position at all times (i.e. no visible gaps) except when the device is in use. The cover or lid shall be equipped with a gasket. Covers on each access hatch and automatic gauge float well shall be bolted in place except when they are in use. [District Rule 4623 and 40 CFR 60.112b(a)(1)(iv)] Federally Enforceable Through Title V Permit
38. Automatic bleeder vents shall be equipped with a gasket and shall be closed at all times when the roof is floating except when the roof is being floated off or is being landed on the leg roof supports. [District Rule 4623 and 40 CFR 60.112b(a)(1)(v)] Federally Enforceable Through Title V Permit
39. Rim vents shall be equipped with a gasket and shall be set to open only when the internal floating roof is not floating or at the manufacturer's recommended setting. [District Rule 4623 and 40 CFR 60.112b(a)(1)(vi)] Federally Enforceable Through Title V Permit
40. Each penetration of the internal floating roof for the purpose of sampling shall be a sample well. The well shall have a slit fabric cover that covers at least 90 percent of the opening. The fabric cover must be impermeable. [District Rule 4623 and 40 CFR 60.112b(a)(1)(vii)] Federally Enforceable Through Title V Permit
41. Each penetration of the internal floating roof that allows for the passage of a column supporting the fixed roof shall have a flexible fabric sleeve seal or a gasketed sliding cover. The fabric sleeve must be impermeable. [District Rule 4623 and 40 CFR 60.112b(a)(1)(viii)] Federally Enforceable Through Title V Permit
42. Each penetration of the internal floating roof that allows for passage of a ladder shall have a gasketed sliding cover. [40 CFR 60.112b(a)(1)(ix)] Federally Enforceable Through Title V Permit
43. The permittee shall visually inspect the internal floating roof, and its appurtenant parts, fittings, etc. and measure the gaps of the primary seal and/or secondary seal prior to filling the tank for newly constructed, repair, or rebuilt internal floating roof tanks. If holes, tears, or openings in the primary seal, the secondary seal, the seal fabric or defects in the internal floating roof or its appurtenant parts, components, fittings, etc., are found, they shall be repaired prior to filling the tank. [District Rule 4623 and 40 CFR 60.113b(a)(1)] Federally Enforceable Through Title V Permit
44. The permittee shall visually inspect, through the manholes, roof hatches, or other openings on the fixed roof, the internal floating roof and its appurtenant parts, fittings, etc., and the primary seal and/or secondary seal at least once every 12 months after the tank is initially filled with an organic liquid. There should be no visible organic liquid on the roof, tank walls, or anywhere. Other than the gap criteria specified by this rule, no holes, tears, or other openings are allowed that would permit the escape of vapors. Any defects found are violations of this rule. [District Rule 4623 and 40 CFR 60.113b(a)(2)] Federally Enforceable Through Title V Permit
45. The permittee shall maintain records of all visual inspections required by this permit. Each record shall identify the storage vessel on which the inspection was performed, the date the vessel was inspected and the observed condition of each component of the control equipment (seals, internal floating roof, and fittings). [40 CFR 60.115b(a)(2)] Federally Enforceable Through Title V Permit
46. Operator shall maintain a record showing the dimension of the storage vessel and an analysis showing the capacity of the storage vessel. The record shall be maintained for the life of the vessel. [40 CFR 60.116b(b)] Federally Enforceable Through Title V Permit
47. Operator shall keep a record of the liquids stored in this container, the period of storage, the storage temperature, the maximum true vapor pressure (TVP) of that liquid during the respective storage period and API gravity. [District Rule 4623 and 40 CFR 60.116b(c)] Federally Enforceable Through Title V Permit
48. Operator of each storage vessel, either with a design capacity greater than or equal to 151 m³ storing a liquid with a maximum true vapor pressure that is normally less than 0.75 psia or with a design capacity greater than or equal to 75 m³ but less than 151 m³ storing a liquid with a maximum true vapor pressure normally less than 4.0 psia, shall notify the APCO within 30 days when the maximum true vapor pressure of the liquid exceeds the respective maximum true vapor pressure values for each volume range. [40 CFR 60.116b(d)] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

49. For storage vessels operated above or below ambient temperatures, the operator shall calculate the maximum true vapor pressure based upon the highest expected calendar-month average of the storage temperature. For vessels operated at ambient temperatures, the maximum true vapor pressure is calculated based upon the maximum local monthly average ambient temperature as reported by the National Weather Service. [40 CFR 60.116b(e)(1)] Federally Enforceable Through Title V Permit
50. Maximum true vapor pressure, for crude oil or refined petroleum products, may be determined from nomographs contained in API Bulletin 2517, by using the typical Reid vapor pressure and the maximum expected storage temperature based on the highest expected calendar-month average temperature of the stored product, unless the APCO specifically requests that the liquid be sampled, the actual storage temperature determined, and the Reid vapor pressure determined from the sample(s). [40 CFR 60.116b(e)(2)(i)] Federally Enforceable Through Title V Permit
51. Operator shall determine the true vapor pressure of each type of crude oil with a Reid vapor pressure less than 2.0 psia or whose physical properties preclude determination by the recommended method from available data and record if the true vapor pressure is greater than 0.5 psia. [40 CFR 60.116b(e)(2)(ii)] Federally Enforceable Through Title V Permit
52. Operator shall determine the true vapor pressure of each VOL, other than crude oil or refined petroleum products, from standard reference texts, by ASTM Method D2879, or by using an appropriate method approved by EPA. [40 CFR 60.116b(e)(3)] Federally Enforceable Through Title V Permit
53. Operator of a tank storing a waste mixture of indeterminate or variable composition shall determine the highest maximum true vapor pressure for the range of liquid compositions to be stored prior to the initial filling, using methods specified for maximum true vapor pressure in this permit. [40 CFR 60.116b(f)] Federally Enforceable Through Title V Permit
54. The permittee shall submit the reports of the floating roof tank inspections to the APCO within five calendar days after the completion of the inspection only for those tanks that failed to meet the applicable requirements of Rule 4623, Sections 5.2 through 5.5. The inspection report for tanks that have been determined to be in compliance with the requirements of Sections 5.2 through 5.5 need not be submitted to the APCO, but the inspection report shall be kept on-site and made available upon request by the APCO. The inspection report shall contain all necessary information to demonstrate compliance with the provisions of this rule, including the following: 1) Date of inspection and names and titles of company personnel doing the inspection. 2) Tank identification number and Permit to Operate number. 3) Measurements of the gaps between the tank shell and primary and secondary seals. 4) Leak-free status of the tank and floating roof deck fittings. Records of the leak-free status shall include the vapor concentration values measured in parts per million by volume (ppmv). 5) Data, supported by calculations, demonstrating compliance with the requirements specified in Sections 5.3, 5.5.2.3.3, 5.5.2.4.2, and 5.5.2.4.3 of Rule 4623. 6) Any corrective actions or repairs performed on the tank in order to comply with rule 4623 and the date(s) such actions were taken. [District Rule 4623 and 40 CFR 60.115b(a)(3)] Federally Enforceable Through Title V Permit
55. 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 inspect the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rule 4326, Table 5] Federally Enforceable Through Title V Permit
56. 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 4623, Table 5] Federally Enforceable Through Title V Permit
57. 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 4623, Table 5] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

58. 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 4623, Table 5] Federally Enforceable Through Title V Permit
59. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 5 shall not constitute a violation of this rule. Leaking components as defined by District Rule 4623 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 in District Rule 4623, Table 5 shall constitute a violation of this rule. [District Rule 4623, Table 5] Federally Enforceable Through Title V Permit
60. 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 4623, Table 5] Federally Enforceable Through Title V Permit
61. Any component found to be leaking on two consecutive annual inspections is in violation of this rule, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 5] Federally Enforceable Through Title V Permit
62. Records shall be kept of each inspection performed. Each record shall identify the storage vessel on which the inspection was performed and shall contain the date the vessel was inspected and the observed condition of each component of the control equipment (seals, internal floating roof, and fittings). [District Rule 2201] Federally Enforceable Through Title V Permit
63. 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 Rule 1070]