



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



SEP 15 2015

Ms. Jennifer Hart
California Resources Production Corp.
9600 Ming Ave., Suite 300
Bakersfield, CA 93311

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-8452
Project # S-1143709**

Dear Ms. Hart:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. You requested that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The application is to install two new crude oil tanks.

After addressing all comments made during the 30-day public notice and the 45-day EPA comment periods, the District intends to issue the Authorities to Construct with Certificates of Conformity. Please submit your comments within the 30-day public comment period, as specified in the enclosed public notice. Prior to operating with modifications authorized by the Authorities to Construct, the facility must submit an application to modify the Title V permit as an administrative amendment, in accordance with District Rule 2520, Section 11.5.

If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,


Arnaud Marjollet
Director of Permit Services

AM:sl/ya

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

San Joaquin Valley Air Pollution Control District
Authority to Construct
Application Review
Re-issue ATCs to New Owner

Facility Name: California Resources Production Corp.

Date: August 27, 2015

Mailing Address: 9600 Ming Ave, Suite 300
Bakersfield, CA 93311

Engineer: Stephen Leonard
Lead Engineer: Richard Karfs *RS*

9/12/15

Location Address: Heavy Oil Central Stationary Source; Kern County

Contact Person: Jennifer Hart, HES Advisor

Telephone: (661) 869-8065

Fax: (661) 869-8170

Application #(s): S-8452-73-0, -74-0

Project #: S1143709

Deemed Complete: March 17, 2015

I. Proposal

California Resources Production Corp. (CRPC) has applied to transfer and re-issue two (2) Authority to Construct permits (ATCs) previously issued to SOC Resources, Inc. (SOC) following CRPC's purchase of all Heavy Oil Central crude oil production facilities and associated equipment, both functional or under construction, previously owned by SOC. The two ATCs being re-issued involve new crude oil processing tanks for which construction had commenced prior to the transfer from SOC to CRPC. As such, CRPC has a vested right to proceed with the construction provided construction is ongoing and completed in a timely manner. Mitigating VOC offsets in the form of Emission Reduction Credit (ERC) banking certificates were not required of SOC for the increases in VOC emissions from these proposed tanks. However, CRPC facility S-8452 is a major source by definition for which offsets will be required to re-issue these ATCs since construction is still underway and the tanks were not issued permits before the rights were obtained by CRPC. No modifications to the previously approved equipment or operating conditions are proposed by CRPC. Only references to SOC status as a small oil producer are removed from the ATCs, and CRPC's requirement to provide VOC offsets are added to the ATCs being reissued to CRPC.

Rule 2201, "New and Modified Stationary Source Review Rule", Section 3.24 defines "Modification" as it relates to permitting actions. Since construction has commenced, as defined in Rule 2050, and CRPC has assumed the contractual obligations related to the purchases and installations of the subject ATCs, and there are no proposed changes from the ATCs as issued to SOC, the project is not considered a modification, and Rule 2201 does not apply and no calculations will be performed at this time. However, because construction was commenced under the ATC but the equipment has not been completed or operated, CRPC must meet the requirements of Rule 2201 that would have applied had CRPC applied for the ATCs originally. These requirements include offsets for VOC emissions greater than 0.5 lbs/day, satisfying the noticing requirements for a Federal Major Modification, satisfying the noticing requirements for a Title V Significant Modification, and Certification of Compliance.

II. Applicable Rules

Rule 2050 Cancellation of Application (12/16/93)
Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)
Rule 2520 Federally Mandated Operating Permits (6/21/01)
Rule 4001 New Source Performance Standards (4/14/99)
Rule 4101 Visible Emissions (2/17/05)
Rule 4102 Nuisance (12/17/92)
Rule 4623 Storage of Organic Liquids (05/19/05)
Rule 4801 Sulfur Compounds (12/17/92)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

III. Project Location

The equipment ATCs being reissued are located within the Mt. Poso Oil Field, Sections 28 and 32, Township 26 South, Range 28 East. The crude production is associated with CRPC's Kern County Central Heavy Crude Oil Production Stationary Source S-8452. The District has verified that the equipment is not located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

IV. Process Description

CRPC, like SOC, is in the business of crude oil and natural gas exploration and production. The equipment within the subject ATCs is used in oil recovery, processing and storage.

V. Equipment Listing

| CRPC ATC Numbers | SOC ATC Numbers | Equipment Description |
|------------------|-----------------|--|
| S-8452-73-0 | S-4059-49-0 | 180 BBL FIXED ROOF CRUDE OIL TEST TANK WITH PV VENT (REISSUE OF ATC S-4059-49-0) |
| S-8452-74-0 | S-4059-50-0 | 2000 BBL FIXED ROOF WASH TANK WITH PV VENT (REISSUE OF ATC S-4059-50-0) |

VI. Emission Control Technology Evaluation

There are no changes in control methods proposed by the new owner. This project is not subject to further review of Rule 2201. No further discussion is necessary.

VII. General Calculations

This project does not meet the criteria for a Rule 2201 Modification, as defined in Section 3.24, and is not subject to the requirements of Rule 2201. Therefore, formal calculations for Rule 2201 are not necessary and no further discussion is required. Emissions increases from SOC ATCs S-4059-49-0 and S-4059-50-0 are carried over to the CRPC ATCs as shown:

| SOC ATCs | CRPC ATCs | VOC increases (lb/day) | VOC increases (lb/year) |
|--------------|-------------|------------------------|-------------------------|
| S-4059-49-0 | S-8452-73-0 | 1.4 | 254 |
| S-4059-50-0 | S-8452-74-0 | 1.4 | 528 |
| TOTAL | | 2.8 | 782 |

VIII. Compliance

District Rule 2201 New and Modified Stationary Source Review Rule

As noted in Section VII of this engineering evaluation, the proposed modification does not constitute an NSR modification, pursuant to section 3.24 of District Rule 2201. The ATCs, as issued to SOC, satisfied the version of Rule 2201 in effect at the time, including BACT and offsets requirements. Since CRPC purchased SOC's holdings, properties, and equipment, either purchased or under contract to purchase, and have not proposed any changes to the previously approved ATCs from SOC which are either under construction, or for which CRPC has gained a legal right to proceed, this project is not subject to further NSR review.

Pursuant to District Policy ADM-1280, "Procedures for Unconverted Authority to Construct Permits and Pending Applications upon a Change in Ownership of a Stationary Source"; The application review of such an application will include a determination that construction has commenced (as defined in Rule 2050) (or that the new owner has otherwise acquired a "vested right" to proceed under California law), and that all other ownership-specific requirements of Rule 2201 are met (e.g.; that any required demonstration of state-wide, major source compliance has been made by the new owners, that any public or EPA noticing requirements have been satisfied, and that offsets have been appropriately provided). CRPC facility S-8452 is a major source which maintains a federally enforceable Title V Operating Permit. As such offsets for VOC increases >0.5 lbs/day are required. As shown in the table form Section VII, each ATC has VOC increases >0.5 lbs/day. Therefore, mitigating offsets for VOC on an annual basis are required for this project. CRPC has proposed the use of ERC Banking certificate N-1153-1 (VOC) to offset the increases at a ratio of 1.5:1 (federal major modification for VOC).

| CRPC ATC | VOC increases (lbs/year) |
|-------------------------|--------------------------|
| S-8452-73-0 | 254 |
| S-8452-74-0 | 528 |
| TOTAL | 782 |
| ERC N-1153-1 | 1.5:1 |
| TOTAL VOC OFFSET | 1,173 |

Rule 2520 Federally Mandated Operating Permits

CRPC facility S-8452 is part of CRPC's Central Kern County Heavy Oil Producing stationary source, which is a major source for VOC emissions and maintains a federally enforceable Title V Operating Permit. Prior to operation of the new equipment CRPC must submit an application for a Title V Administrative Amendment to include the new crude oil processing tanks on their Title V Operating Permit.

Rule 4001 New Source Performance Standards (NSPS)

CRPC will be required to comply with all aspects of this rule as it applied to the previously issued ATCs.

Rule 4101 Visible Emissions

CRPC will be required to comply with all aspects of this rule as it applied to the previously issued ATCs.

Rule 4102 Nuisance

CRPC will be required to comply with all aspects of this rule as it applied to the previously issued ATCs.

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 – Risk Management Policy for Permitting New and Modified Sources specifies that for an increase in emissions associated with a proposed new source or modification, the District perform an analysis to determine the possible impact to the nearest resident or worksite. A Risk Management Review was performed under the originating project.

As indicated above, there are no increases in emissions associated with this project, therefore a health risk assessment is not necessary and no further risk analysis is required.

District Rule 4623 Storage of Organic Liquids

CRPC will be required to comply with all aspects of this rule as it applied to the previously issued ATCs.

District Rule 4801 Sulfur Compounds

CRPC will be required to comply with all aspects of this rule as it applied to the previously issued ATCs.

California Health & Safety Code 42301.6 (School Notice)

The District has verified that none of the equipment is located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

California Environmental Quality Act (CEQA)

Greenhouse Gas Significance Determination

The District's engineering evaluation (this document) demonstrates that the project would not result in an increase in project specific greenhouse gas emissions. The District therefore concludes that the project would have a less than cumulatively significant impact on global climate change.

District CEQA Findings

The California Environmental Quality Act (CEQA) requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The San Joaquin Valley Unified Air Pollution Control District (District) adopted its *Environmental Review Guidelines* (ERG) in 2001. The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.

- Identify the ways that environmental damage can be avoided or significantly reduced.
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

The District performed an Engineering Evaluation (this document) for the proposed project and determined that the activity will occur at an existing facility and the project involves negligible expansion of the existing use. Furthermore, the District determined that the activity will not have a significant effect on the environment. The District finds that the activity is categorically exempt from the provisions of CEQA pursuant to CEQA Guideline § 15031 (Existing Facilities), and finds that the project is exempt per the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (CEQA Guidelines §15061(b)(3)).

IX. Recommendation

Compliance with all applicable rules and regulations is expected. Issue Authority to Construct documents to CRPC subject to the permit conditions on the attached draft Authority to Construct in Appendix B.

X. Billing Information

| Annual Permit Fees | | | |
|--------------------|--------------|-----------------|------------|
| Permit Number | Fee Schedule | Fee Description | Annual Fee |
| S-8452-73-0 | 3020-05-B | 7,560 gallons | \$98.00 |
| S-8452-74-0 | 3020-05-D | 84,000 gallons | \$194.00 |

Appendixes

- A: Authority to Construct (ATC) Documents issued to SOC Resources Inc.
- B: Draft Authority to Construct (ATC) Documents is to California Resources Production Corp.
- C: Emissions Profiles California Resources Production Corp.
- D: Compliance Certification Form and Compliance Certification Statement

APPENDIX A

**Authority to Construct (ATC) Documents Issued to
SOC Resources Inc**



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-4059-49-0

ISSUANCE DATE: 02/11/2014

LEGAL OWNER OR OPERATOR: SOC RESOURCES INC
MAILING ADDRESS: 1502 MILL ROCK WAY
SUITE 250
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL
MT POSO FIELD

EQUIPMENT DESCRIPTION:
180 BBL FIXED ROOF CRUDE OIL TEST TANK WITH PV VALVE

CONDITIONS

1. 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 Rule 4623]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. VOC emission rate from the tank shall not exceed 0.7 lb/day. [District Rule 2201]
4. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.3 psia under all storage conditions. [District Rules 2201 and 4623]
5. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank upon initial start-up, 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]
6. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank [District Rule 2201]
7. 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 Rule 2201]

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-4059-49-0 Feb 11 2014 2:38PM - DAVIDS08 : Joint Inspection NOT Required

8. 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 Rule 2201]
9. 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 Rule 2201]
10. 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 Rule 4623]
11. 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, TVP, and API gravity. [District Rules 2201 and 4623]
12. 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 2201]
13. Permit S-4059-25-1 shall be canceled prior to the conversion of this ATC. [District Rule 2201]



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-4059-50-0

ISSUANCE DATE: 02/11/2014

LEGAL OWNER OR OPERATOR: SOC RESOURCES INC
MAILING ADDRESS: 1502 MILL ROCK WAY
SUITE 250
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL
MT POSO FIELD

EQUIPMENT DESCRIPTION:
2000 BBL FIXED ROOF WASH TANK WITH PV VALVE

CONDITIONS

1. 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 Rule 4623]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. VOC emission rate from the tank shall not exceed 1.4 lb/day. [District Rule 2201]
4. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.3 psia under all storage conditions. [District Rules 2201 and 4623]
5. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank upon initial start-up, 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]
6. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank [District Rule 2201]
7. 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 Rule 2201]

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-4059-50-0: Feb 11 2014 2:38PM - DAVIDSOB : Joint Inspection NOT Required

8. 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 Rule 2201]
9. 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 Rule 2201]
10. 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 Rule 4623]
11. 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, TVP, and API gravity. [District Rules 2201 and 4623]
12. 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 2201]
13. Permit S-4059-25-1 shall be canceled prior to the conversion of this ATC. [District Rule 2201]

APPENDIX B

**Draft Authority to Construct (ATC) Documents Issued to
California Resources Production Corp.**

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-8452-73-0

LEGAL OWNER OR OPERATOR: CALIFORNIA RESOURCES PRODUCTION CORP
MAILING ADDRESS: 9600 MING AVENUE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL

SECTION: 32 TOWNSHIP: 26S RANGE: 28E

EQUIPMENT DESCRIPTION:

180 BBL FIXED ROOF CRUDE OIL TEST TANK WITH PV VENT (REISSUE OF ATC S-4059-49-0)

CONDITIONS

1. {1830} 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. {1831} 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. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 95 lb, 2nd quarter - 95 lb, 3rd quarter - 95 lb, and fourth quarter - 96 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]
4. ERC Certificate Number N-1153-1 (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]
5. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
6. VOC emission rate from the tank shall not exceed 0.7 lb/day. [District Rule 2201]

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 Marjolle, Director of Permit Services

S-8452-73-0 - Aug 27 2015 8:32AM -- LEONARDO Joint Inspection NOT Required

7. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.3 psia under all storage conditions. [District Rules 2201 and 4623]
8. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank upon initial start-up, 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]
9. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank [District Rule 2201]
10. 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 Rule 2201]
11. 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 Rule 2201]
12. 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 Rule 2201]
13. 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 Rule 4623]
14. 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, TVP, and API gravity. [District Rules 2201 and 4623]
15. 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 2201]
16. Permit S-8452-63 (formerly S-4059-25) shall be canceled prior to the conversion of this ATC. [District Rule 2201]

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-8452-74-0

LEGAL OWNER OR OPERATOR: CALIFORNIA RESOURCES PRODUCTION CORP
MAILING ADDRESS: 9600 MING AVENUE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL

SECTION: 28 TOWNSHIP: 26S RANGE: 28E

EQUIPMENT DESCRIPTION:
2000 BBL FIXED ROOF WASH TANK WITH PV VENT (REISSUE OF ATC S-4059-50-0)

CONDITIONS

1. {1830} 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. {1831} 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. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 198 lb, 2nd quarter - 198 lb, 3rd quarter - 198 lb, and fourth quarter - 198 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]
4. ERC Certificate Number N-1153-1 (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]
5. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
6. VOC emission rate from the tank shall not exceed 1.4 lb/day. [District Rule 2201]

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

DRAFT
Arnaud Marjolle, Director of Permit Services

S-8452-74-0 Aug 27 2015 8:32AM - LEONARDS : Joint Inspection NOT Required

7. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.3 psia under all storage conditions. [District Rules 2201 and 4623]
8. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank upon initial start-up, 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]
9. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank [District Rule 2201]
10. 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 Rule 2201]
11. 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 Rule 2201]
12. 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 Rule 2201]
13. 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 Rule 4623]
14. 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, TVP, and API gravity. [District Rules 2201 and 4623]
15. 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 2201]
16. Permit S-8452-63 (formerly S-4059-25) shall be canceled prior to the conversion of this ATC. [District Rule 2201]

DRAFT

APPENDIX C

**Emissions Profiles
California Resources Production Corp.**

| | |
|--|---------------------|
| Permit #: S-8452-73-0 | Last Updated |
| Facility: CALIFORNIA RESOURCES PRODUCTION | 08/27/2015 LEONARDS |

Equipment Pre-Baselined: NO

| | <u>NOX</u> | <u>SOX</u> | <u>PM10</u> | <u>CO</u> | <u>VOC</u> |
|--|------------|------------|-------------|-----------|------------|
| Potential to Emit (lb/Yr): | 0.0 | 0.0 | 0.0 | 0.0 | 254.0 |
| Daily Emis. Limit (lb/Day) | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 |
| Quarterly Net Emissions Change (lb/Qtr) | | | | | |
| Q1: | 0.0 | 0.0 | 0.0 | 0.0 | 64.0 |
| Q2: | 0.0 | 0.0 | 0.0 | 0.0 | 64.0 |
| Q3: | 0.0 | 0.0 | 0.0 | 0.0 | 64.0 |
| Q4: | 0.0 | 0.0 | 0.0 | 0.0 | 64.0 |
| Check if offsets are triggered but exemption applies | N | N | N | N | N |
| Offset Ratio | | | | | 1.5 |
| Quarterly Offset Amounts (lb/Qtr) | | | | | |
| Q1: | | | | | 95.0 |
| Q2: | | | | | 95.0 |
| Q3: | | | | | 95.0 |
| Q4: | | | | | 96.0 |

| | |
|--|---------------------|
| Permit #: S-8452-74-0 | Last Updated |
| Facility: CALIFORNIA RESOURCES PRODUCTION | 08/27/2015 LEONARDS |

Equipment Pre-Baselined: NO

| | <u>NOX</u> | <u>SOX</u> | <u>PM10</u> | <u>CO</u> | <u>VOC</u> |
|--|------------|------------|-------------|-----------|------------|
| Potential to Emit (lb/Yr): | 0.0 | 0.0 | 0.0 | 0.0 | 528.0 |
| Daily Emis. Limit (lb/Day) | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 |
| Quarterly Net Emissions Change (lb/Qtr) | | | | | |
| Q1: | 0.0 | 0.0 | 0.0 | 0.0 | 132.0 |
| Q2: | 0.0 | 0.0 | 0.0 | 0.0 | 132.0 |
| Q3: | 0.0 | 0.0 | 0.0 | 0.0 | 132.0 |
| Q4: | 0.0 | 0.0 | 0.0 | 0.0 | 132.0 |
| Check if offsets are triggered but exemption applies | N | N | N | N | N |
| Offset Ratio | | | | | 1.5 |
| Quarterly Offset Amounts (lb/Qtr) | | | | | |
| Q1: | | | | | 198.0 |
| Q2: | | | | | 198.0 |
| Q3: | | | | | 198.0 |
| Q4: | | | | | 198.0 |

APPENDIX D

**Compliance Certification Form and
Compliance Certification Statement**

San Joaquin Valley Unified Air Pollution Control District

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE AMENDMENT
 MINOR PERMIT MODIFICATION

| | |
|--|---------------------|
| COMPANY NAME: California Resources Production Corporation | FACILITY ID: S-8452 |
| 1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility | |
| 2. Owner's Name: | |
| 3. Agent to the Owner: John Ocana | |

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:

Signature of Responsible Official

John Ocana

Name of Responsible Official (please print)

Operations Manager, Central Valley Operation

Title of Responsible Official (please print)

7/28/2015

Date

CERTIFICATION

California Resources Production Corporation (CRPC) hereby certifies as follows:

1. CRPC owns or operates certain major stationary sources in the State of California. Such sources are comprised of a vast number of emission points. As used in this certification, the term "major stationary source" shall, with respect to CRPC stationary sources in the SJVUAPCD, have the meaning ascribed thereto in SJVUAPCD Rule 2201, Section 3.23, and shall, with respect to all of CRPC's other stationary sources in the State of California, have the meaning ascribed thereto in section 302(J) of the Clean Air Act (42 U.S.C. Section 7602 (J)).
2. Subject to paragraphs 3 and 4 below, all major stationary sources owned or operated by CRPC in the State of California are either in compliance, or on an approved schedule of compliance, with all applicable emission limitations and standards under the Clean Air Act and all of the State Implementation Plan approved by the Environmental Protection Agency.
3. This certification is made on information and belief and is based upon a review of CRPC's major stationary sources in the State of California by those employees of CRPC who have operational responsibility for compliance. In conducting such reviews, CRPC and its employees have acted in good faith and have exercised best efforts to identify any exceedance of the emission limitations and standards referred to in paragraph 2 thereof.
4. This certification shall speak as of the time and date of its execution.

CERTIFICATION

By: 

Date: 7/28/2015

Title: Operations Manager, Central Valley Operation

Time: 10:00 AM