



**JUN 28 2016**

Mr. Kenneth Bork  
Freeport-McMoRan Oil and Gas  
1200 Discovery Drive Suite 500  
Bakersfield, CA 93309

**Re: Final - Authority to Construct / Certificate of Conformity (Significant Mod)  
District Facility # S-1372  
Project # S-1160094**

Dear Mr. Bork:

The Air Pollution Control Officer has issued Authorities to Construct (ATC # 1372-127-26 and '1317-16) with Certificates of Conformity to Freeport-McMoRan Oil and Gas at Western Kern County. The modification consisted of removing the PM10 source test requirements for two steam generators. 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 April 18 2016. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on April 13, 2016. No comments were received following the District's preliminary decision on this project.

Prior to operating with the 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. These forms may be found on the District's website at [www.valleyair.org](http://www.valleyair.org).

**Seyed Sadredin**  
Executive Director/Air Pollution Control Officer

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**Northern Region**  
4800 Enterprise Way  
Modesto, CA 95356-8718  
Tel: (209) 557-6400 FAX: (209) 557-6475

**Central Region (Main Office)**  
1990 E. Gettysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-6000 FAX: (559) 230-6061

**Southern Region**  
34946 Flyover Court  
Bakersfield, CA 93308-9725  
Tel: 661-392-5500 FAX: 661-392-5585

Mr. Kenneth Bork  
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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

Enclosures

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



## AUTHORITY TO CONSTRUCT

PERMIT NO: S-1372-127-26

ISSUANCE DATE: 05/31/2016

**LEGAL OWNER OR OPERATOR:** FREEPORT-MC MORAN OIL & GAS  
**MAILING ADDRESS:** 1200 DISCOVERY DRIVE, SUITE 500  
BAKERSFIELD, CA 93309

**LOCATION:** HEAVY OIL WESTERN STATIONARY SOURCE  
CA

**SECTION:** 06 **TOWNSHIP:** 30S **RANGE:** 22E

**EQUIPMENT DESCRIPTION:**

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/TEOR GAS-FIRED STEAM GENERATOR #43 EQUIPPED WITH A NORTH AMERICAN MODEL MAGNA-FLAME G-LE LOW NOX BURNER, FGR, O2 CONTROLLER, AND EXHAUST GAS SOX SCRUBBER W/ESP SHARED WITH S-1372-317 (MCKITTRICK FRONT LEASE): REMOVE PM10 SOURCE TEST REQUIREMENT

### CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. If continuous operation oxygen analyzer/controller is utilized, excess O2 shall be maintained between 0.5 and 4.0%. If not utilized, excess air shall be maintained at no less than 15%. [District Rule 2201] Federally Enforceable Through Title V Permit
4. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of gas combusted in the unit shall be installed, utilized and maintained for each fuel line. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
5. Exhaust from unit shall be directed only to SO2 scrubber/wet ESP authorized herein except when burning PUC quality natural gas exclusively. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO



Arnaud Marjollet, Director of Permit Services

S-1372-127-26 - May 31 2016 11:50AM - DAVIDSOS - Joint Inspection NOT Required

6. Scrubber/wet ESP shall be in operation when combusting TEOR gas. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Vapors from TEOR operation, permit # S-1372-100 may be incinerated in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Except during start-up and shutdown, emissions from the steam generator shall not exceed any of the following limits: 9 ppmvd NO<sub>x</sub> @ 3% O<sub>2</sub> or 0.011 lb-NO<sub>x</sub>/MMBtu, 0.324 lb-SO<sub>x</sub>/MMBtu, 0.008 lb-PM<sub>10</sub>/MMBtu, 50 ppmvd CO @ 3% O<sub>2</sub> or 0.0364 lb-CO/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
9. During start-up and shutdown, emissions from the steam generator shall not exceed any of the following limits: 15 ppmvd NO<sub>x</sub> @ 3% O<sub>2</sub> or 0.018 lb-NO<sub>x</sub>/MMBtu, 0.324 lb-SO<sub>x</sub>/MMBtu, 0.008 lb-PM<sub>10</sub>/MMBtu, 50 ppmvd CO @ 3% O<sub>2</sub> or 0.0364 lb-CO/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
10. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4306 and 4320] Federally Enforceable Through Title V Permit
11. Duration of startup and shutdown shall not exceed 2 hours each per occurrence and, combined, shall not exceed 4 hours per day. During startup or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of startup and shutdown periods [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
12. Daily records of start-up and shutdown durations and number of occurrences of each shall be maintained. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
13. Total sulfur oxide (SO<sub>x</sub> as SO<sub>2</sub>) emissions shall not exceed 1,075.2 lb/day from steam generators S-1372-1, '2, '4, '127, '317, and flare '100. [District Rule 2201] Federally Enforceable Through Title V Permit
14. All vapor recovery gas burned in this device shall first be treated by the scrubber/wet ESP so at least 95% by weight of the sulfur is removed. [District Rules 2201, 4301, 4320, 4406, and 4801] Federally Enforceable Through Title V Permit
15. Compliance with the 95% by weight sulfur removal efficiency shall be conducted at least once every twelve months. [District Rule 4320] Federally Enforceable Through Title V Permit
16. The SO<sub>x</sub> emission control system efficiency shall be determined using the following equation: Percent Control Efficiency =  $[(\text{CSO}_2, \text{inlet} - \text{CSO}_2, \text{outlet}) / \text{CSO}_2, \text{inlet}] \times 100$ , where "CSO<sub>2</sub>, inlet" is equal to the concentration of SO<sub>x</sub> (expressed as SO<sub>2</sub>) at the inlet side of the SO<sub>x</sub> emission control system (in lb/dscf) and "CSO<sub>2</sub>, outlet" is equal to the concentration of SO<sub>x</sub> (expressed as SO<sub>2</sub>) at the outlet side of the SO<sub>x</sub> emission control system (in lb/dscf). [District Rule 4320] Federally Enforceable Through Title V Permit
17. The total gas fired in this unit, on a monthly average, shall be less than 50% PUC quality natural gas, by volume. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet and no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet. PUC quality natural gas also means high methane gas of at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit
18. The permittee shall maintain monthly records of the volume of PUC quality natural gas and the total gas fired in this unit. Permittee shall keep monthly records of the percentage by volume of PUC quality gas fired and indicate if the volume of PUC quality gas fired is less than 50%. [District Rule 4320] Federally Enforceable Through Title V Permit
19. Scrubber/wet ESP control efficiency shall not be less than 95% by weight sulfur compounds. [District Rule 2201] Federally Enforceable Through Title V Permit
20. Scrubber liquor pH shall be maintained within the range demonstrated to achieve compliance with SO<sub>2</sub> emissions limit and control efficiency performance, and shall be continuously monitored. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. Scrubber mist eliminator shall be properly cleaned and maintained. [District Rule 2201] Federally Enforceable Through Title V Permit
22. The wet ESP's secondary DC voltage shall be monitored weekly to ensure it is operating between 35 to 50KV [District Rule]
23. Scrubber recirculation liquor liquid to gas ratio shall be maintained at no less than that demonstrated to achieve compliance during source testing. [District Rule 2201] Federally Enforceable Through Title V Permit
24. When any unit connected to scrubber/wet ESP is burning TEOR gas, scrubber/wet ESP shall be operating and permittee shall demonstrate compliance with sulfur oxide emissions limit by stack source testing within 60 days of initial scrubbing date and annually thereafter unless no TEOR gas has been burned since the last scrubber performance source test. Sulfur removal efficiency of scrubber/wet ESP shall be demonstrated during initial stack source test and calculated with subsequent tests. Ongoing compliance with sulfur oxide emissions limit shall be by calculation using the scrubber liquid pH, the demonstrated sulfur removal efficiency, and the fuel gas sulfur content. Fuel gas sulfur content shall be obtained by sample analysis at least quarterly. [District Rule 2201] Federally Enforceable Through Title V Permit
25. When unit is operated without scrubber/wet ESP, permittee shall demonstrate compliance with the sulfur oxide emissions limit by analysis of the fuel gas sulfur content within 60 days of initiating operation without scrubber. Analyses, as approved by the APCO, provided by the gas supplier may be used to satisfy this requirement. [District Rule 2201] Federally Enforceable Through Title V Permit
26. When complying with SO<sub>x</sub> emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Methods 6, 6B, 8, or ARB 100. When operating unscrubbed, a grab sample analysis by double GC performed in the laboratory and EPA Method 19 may be used to calculate SO<sub>x</sub> emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every 36 months unless testing is required by scrubber operational mode change as noted above. Annual source testing shall resume if any test fails to show compliance. [District Rule 2201] Federally Enforceable Through Title V Permit
27. Exhaust stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District Rule 1081] Federally Enforceable Through Title V Permit
28. The permittee shall monitor and record the stack concentration of NO<sub>x</sub>, CO, and O<sub>2</sub> at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
29. If either the NO<sub>x</sub> or CO concentrations corrected to 3% O<sub>2</sub>, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
30. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



31. The permittee shall maintain records of: (1) the date and time of NO<sub>x</sub>, CO, and O<sub>2</sub> measurements, (2) the O<sub>2</sub> concentration in percent and the measured NO<sub>x</sub> and CO concentrations corrected to 3% O<sub>2</sub>, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
32. The portable analyzer shall be calibrated prior to each use with a two-point calibration method (zero and span). Calibration shall be performed with certified calibration gases. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
33. Source testing to measure NO<sub>x</sub> and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
34. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
36. Compliance demonstration (source testing) shall be by District witnessed, or authorized, sample collection by ARB certified testing laboratory. [District Rule 1081] Federally Enforceable Through Title V Permit
37. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate, no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
38. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. NO<sub>x</sub> emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
40. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
41. Stack gas oxygen (O<sub>2</sub>) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
42. Fuel sulfur content shall be determined using EPA Method 11 or Method 15. [District Rule 4320] Federally Enforceable Through Title V Permit
43. Stack gas velocities shall be determined using EPA Method 2. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
44. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
45. In lieu of the annual source testing requirements of Rule 4320, compliance with the applicable emission limits may be demonstrated by submittal of annual emissions test results to the District from a unit or units that represents a group of units, provided that all of the conditions in Section 6.3.2 are met and documented. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

46. Annual test results submitted to the District from unit(s) representing a group of units may be used to demonstrate compliance with NO<sub>x</sub> and CO limits of this permit for that group, provided the selection of the representative unit(s) is approved by the APCO prior to testing. Should any of the representative units exceed the required NO<sub>x</sub> or CO emissions limits of this permit, each of the units in the group shall demonstrate compliance by emissions testing within 90 days of the failed test. (This requirement shall not supersede a more stringent NSR or PSD permit testing requirement.) [District Rules 4305, 6.3.2, 4306, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
47. The following conditions must be met for representative unit(s) to be used to demonstrate compliance for NO<sub>x</sub> and CO limits for a group of units: 1) all units are initially source tested and emissions from each unit in group are less than 90% of the permitted value and vary 25% or less from the average of all runs, 2) all units in group are similar in terms of rated heat input (rating not to exceed 100 MMBtu/hr), make and series, operation conditions, and control method, and 3) the group is owned by a single owner and located at a single stationary source. [District Rules 4305, 6.3.2, 4306, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
48. All units in a group for which representative units are source tested to demonstrate compliance for NO<sub>x</sub> and CO limits of this permit shall have received the same maintenance and tune-up procedures as the representative unit(s). These tune-up procedures shall be completed according to District Rule 4304 (Adopted October 19, 1995) and tune-up test results shall show comparable results for each unit in the group. Records shall be maintained for the each unit of the group including all preventative and corrective maintenance work done. [District Rules 4305, 6.3.2, 4306, 6.3.2, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
49. All units in a group for which representative units are source tested to demonstrate compliance for NO<sub>x</sub> and CO limits of this permit shall be fired on the same fuel type during the entire compliance period. If a unit switches for any time to an alternate fuel type (e.g. from natural gas to oil) then that unit shall not be considered part of the group and shall be required to undergo a source test for all fuel types used, within one year of the switch. [District Rules 4305, 6.3.2, 4306, 6.3.2, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
50. The number of representative units source tested to demonstrate compliance for NO<sub>x</sub> and CO limits shall be at least 30% of the total number of units in the group. The units included in the 30% shall be rotated, so that in 3 years, all units in the entire group will have been tested at least once. [District Rules 4305, 6.3.2, 4306, 6.3.2, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
51. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be quarterly. If a quarterly fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
52. When complying with SO<sub>x</sub> emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6B; or Method 8; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by GC-FPD/TCD performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
53. If the unit is fired on noncertified gaseous fuel and compliance with SO<sub>x</sub> emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 3246, D 4084, or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
54. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.3.2; 4305, 6.2; 4306, 6.2; and 4320, 6.2] Federally Enforceable Through Title V Permit
55. Copies of all fuel invoices, gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

56. Permittee shall maintain records of the wet ESP's secondary DC voltage and shall be made readily available for District inspection upon request [District Rule 2201] Federally Enforceable Through Title V Permit
57. Permittee shall maintain records of volume of fuel gas burned and TEOR gas incinerated, fuel gas and TEOR gas sulfur content, and such records shall be retained on site for a period of at least five years and shall be made readily available for District inspection upon request. [District Rules 1070 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
58. Sulfur compound emissions shall not exceed 0.11 lb of sulfur per million BTU. Compliance with this requirement may be demonstrated by firing the unit only on PUC or FERC regulated natural gas; multiplying the reported sulfur content of each fuel in lb/MMBtu by the maximum heat input rating of the unit; or by a combination of source testing for sulfur compounds and fuel analysis. [District Rule 4406]
59. The concentration of sulfur compounds in the exhaust from this unit shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 4801 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
60. Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
61. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit





## AUTHORITY TO CONSTRUCT

PERMIT NO: S-1372-317-16

ISSUANCE DATE: 05/31/2016

**LEGAL OWNER OR OPERATOR:** FREEPORT-MC MORAN OIL & GAS  
**MAILING ADDRESS:** 1200 DISCOVERY DRIVE, SUITE 500  
BAKERSFIELD, CA 93309

**LOCATION:** HEAVY OIL WESTERN STATIONARY SOURCE  
CA

**SECTION:** 06 **TOWNSHIP:** 30S **RANGE:** 22E

**EQUIPMENT DESCRIPTION:**

MODIFICATION OF 67.5 MMBTU/HR NATURAL GAS/TEOR GAS-FIRED STEAM GENERATOR EQUIPPED WITH A NORTH AMERICAN MODEL MAGNA-FLAME G-LE LOW NOX BURNER, FGR AND EXHAUST GAS SOX SCRUBBER W/ESP SHARED WITH S-1372-127 (MCKITTRICK FRONT LEASE); REMOVE PM10 SOURCE TEST REQUIREMENT

### CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. Unit shall be fired only on PUC quality natural gas or TEOR waste gas. [District NSR Rule] Federally Enforceable Through Title V Permit
4. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of gas combusted in the unit shall be installed, utilized and maintained for each fuel line. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
5. Vapors from TEOR operation, permit # S-1372-100 may be incinerated in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Exhaust from unit shall be directed only to SO2 scrubber/wet ESP listed on S-1372-127 except when burning PUC quality natural gas exclusively. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

**YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT.** This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO



Arnaud Marjollet, Director of Permit Services

S-1372-317-16 May 31 2016 11:50AM - DAVIDSOS : Joint Inspection NOT Required

7. Scrubber/wet ESP listed on S-1372-127 shall be in operation when combusting TEOR gas. [District Rule 2201] Federally Enforceable Through Title V Permit
8. All wells producing from strata steamed by this unit shall be connected to a District-approved emissions control system, have District-approved closed casing vents or be District-approved uncontrolled cyclic wells. [District Rule 4401] Federally Enforceable Through Title V Permit
9. This steam generator shall be exclusively fired on PUC quality natural gas when steam generators S-1372-13, 16, and 24 are gas fired and incinerating TEOR waste gas. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4306 and 4320] Federally Enforceable Through Title V Permit
11. Duration of startup and shutdown shall not exceed 2 hours each per occurrence and, combined, shall not exceed 4 hours per day. During startup or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of startup and shutdown periods. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
12. Except during start-up and shutdown, emissions from the steam generator shall not exceed any of the following limits: 9 ppmvd NOX @ 3% O2 or 0.011 lb-NOX/MMBtu, 0.324 lb-SOX/MMBtu, 0.008 lb-PM10/MMBtu, 50 ppmvd CO @ 3% O2 or 0.0364 lb-CO/MMBtu, or 0.039 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
13. During start-up and shutdown, emissions from the steam generator shall not exceed any of the following limits: 15 ppmvd NOX @ 3% O2 or 0.018 lb-NOX/MMBtu, 0.324 lb-SOX/MMBtu, 0.008 lb-PM10/MMBtu, 50 ppmvd CO @ 3% O2 or 0.0364 lb-CO/MMBtu, or 0.039 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
14. Total sulfur oxide (SOx as SO2) emissions shall not exceed 1,075.2 lb/day from steam generators S-1372-1, '2, '4, '127, '317, and flare '100. [District Rule 2201] Federally Enforceable Through Title V Permit
15. All vapor recovery gas burned in this device shall first be treated by the scrubber/wet ESP so at least 95% by weight of the sulfur is removed. [District Rules 2201, 4301, 4320, 4406, and 4801] Federally Enforceable Through Title V Permit
16. Compliance with the 95% by weight sulfur removal efficiency shall be conducted at least once every twelve months. [District Rule 4320] Federally Enforceable Through Title V Permit
17. The SOx emission control system efficiency shall be determined using the following equation: Percent Control Efficiency =  $[(CSO_2, \text{inlet} - CSO_2, \text{outlet}) / CSO_2, \text{inlet}] \times 100$ , where "CSO<sub>2</sub>, inlet" is equal to the concentration of SOx (expressed as SO<sub>2</sub>) at the inlet side of the SOx emission control system (in lb/dscf) and "CSO<sub>2</sub>, outlet" is equal to the concentration of SOx (expressed as SO<sub>2</sub>) at the outlet side of the SOx emission control system (in lb/dscf). [District Rule 4320] Federally Enforceable Through Title V Permit
18. The total gas fired in this unit, on a monthly average, shall be less than 50% PUC quality natural gas, by volume. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet and no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet. PUC quality natural gas also means high methane gas of at least 80% methane by volume. [District Rule 4320] Federally Enforceable Through Title V Permit
19. The permittee shall maintain monthly records of the volume of PUC quality natural gas and the total gas fired in this unit. Permittee shall keep monthly records of the percentage by volume of PUC quality gas fired and indicate if the volume of PUC quality gas fired is less than 50%. [District Rule 4320] Federally Enforceable Through Title V Permit

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20. When complying with SO<sub>x</sub> emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Methods 6, 6B, 8, or ARB 100. When operating unscrubbed, a grab sample analysis by double GC performed in the laboratory and EPA Method 19 may be used to calculate SO<sub>x</sub> emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every 36 months unless testing is required by scrubber operational mode change as noted above. Annual source testing shall resume if any test fails to show compliance. [District Rule 2201] Federally Enforceable Through Title V Permit
21. Sulfur compound (SO<sub>2</sub>) emission limit compliance shall be demonstrated by fuel gas sulfur analysis performed 60 days prior to permit anniversary date. [District Rule 1081] Federally Enforceable Through Title V Permit
22. Compliance with casing gas sulfur compound emission limits shall be demonstrated by record keeping of TEOR gas flowrate and H<sub>2</sub>S concentration. [District Rule 1070] Federally Enforceable Through Title V Permit
23. The wet ESP's secondary DC voltage shall be monitored weekly to ensure it is operating between 35 to 50KV [District Rule]
24. Permittee shall maintain daily records of volume of natural gas burned and TEOR waste gas incinerated. [District NSR Rule] Federally Enforceable Through Title V Permit
25. Permittee shall measure and record, at least monthly, the sulfur content and BTU content of the TEOR waste gas incinerated in this unit. [District Rule 4406, 4.0] Federally Enforceable Through Title V Permit
26. Permittee shall measure and record the natural gas sulfur content and BTU content at the time of NO<sub>x</sub> testing, except for natural gas purchased from a PUC regulated utility. [District Rule 4406, 4.0] Federally Enforceable Through Title V Permit
27. Exhaust stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District Rule 1081] Federally Enforceable Through Title V Permit
28. The permittee shall monitor and record the stack concentration of NO<sub>x</sub>, CO, and O<sub>2</sub> at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
29. If either the NO<sub>x</sub> or CO concentrations corrected to 3% O<sub>2</sub>, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
30. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. The permittee shall maintain records of: (1) the date and time of NO<sub>x</sub>, CO, and O<sub>2</sub> measurements, (2) the O<sub>2</sub> concentration in percent and the measured NO<sub>x</sub> and CO concentrations corrected to 3% O<sub>2</sub>, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

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32. The portable analyzer shall be calibrated prior to each use with a two-point calibration method (zero and span). Calibration shall be performed with certified calibration gases. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
33. Source testing to measure NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
34. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
36. Compliance demonstration (source testing) shall be by District witnessed, or authorized, sample collection by ARB certified testing laboratory. [District Rule 1081] Federally Enforceable Through Title V Permit
37. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate, no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
38. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. NOx emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
40. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
41. Stack gas oxygen (O2) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
42. Fuel sulfur content shall be determined using EPA Method 11 or Method 15. [District Rule 4320] Federally Enforceable Through Title V Permit
43. Stack gas velocities shall be determined using EPA Method 2. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
44. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
45. In lieu of the annual source testing requirements of Rule 4320, compliance with the applicable emission limits may be demonstrated by submittal of annual emissions test results to the District from a unit or units that represents a group of units, provided that all of the conditions in Section 6.3.2 are met and documented. [District Rule 4320] Federally Enforceable Through Title V Permit
46. Annual test results submitted to the District from unit(s) representing a group of units may be used to demonstrate compliance with NOx and CO limits of this permit for that group, provided the selection of the representative unit(s) is approved by the APCO prior to testing. Should any of the representative units exceed the required NOx or CO emissions limits of this permit, each of the units in the group shall demonstrate compliance by emissions testing within 90 days of the failed test. (This requirement shall not supersede a more stringent NSR or PSD permit testing requirement.) [District Rules 4305, 6.3.2, 4306, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit

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47. The following conditions must be met for representative unit(s) to be used to demonstrate compliance for NO<sub>x</sub> and CO limits for a group of units: 1) all units are initially source tested and emissions from each unit in group are less than 90% of the permitted value and vary 25% or less from the average of all runs, 2) all units in group are similar in terms of rated heat input (rating not to exceed 100 MMBtu/hr), make and series, operation conditions, and control method, and 3) the group is owned by a single owner and located at a single stationary source. [District Rules 4305, 6.3.2, 4306, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
48. All units in a group for which representative units are source tested to demonstrate compliance for NO<sub>x</sub> and CO limits of this permit shall have received the same maintenance and tune-up procedures as the representative unit(s). These tune-up procedures shall be completed according to District Rule 4304 (Adopted October 19, 1995) and tune-up test results shall show comparable results for each unit in the group. Records shall be maintained for the each unit of the group including all preventative and corrective maintenance work done. [District Rules 4305, 6.3.2, 4306, 6.3.2, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
49. All units in a group for which representative units are source tested to demonstrate compliance for NO<sub>x</sub> and CO limits of this permit shall be fired on the same fuel type during the entire compliance period. If a unit switches for any time to an alternate fuel type (e.g. from natural gas to oil) then that unit shall not be considered part of the group and shall be required to undergo a source test for all fuel types used, within one year of the switch. [District Rules 4305, 6.3.2, 4306, 6.3.2, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
50. The number of representative units source tested to demonstrate compliance for NO<sub>x</sub> and CO limits shall be at least 30% of the total number of units in the group. The units included in the 30% shall be rotated, so that in 3 years, all units in the entire group will have been tested at least once. [District Rules 4305, 6.3.2, 4306, 6.3.2, 4320 and 4351, 6.3.2] Federally Enforceable Through Title V Permit
51. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be quarterly. If a quarterly fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
52. When complying with SO<sub>x</sub> emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6B; or Method 8; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by GC-FPD/TCD performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
53. If the unit is fired on noncertified gaseous fuel and compliance with SO<sub>x</sub> emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 3246, D 4084, or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
54. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.3.2; 4305, 6.2; 4306, 6.2; and 4320, 6.2] Federally Enforceable Through Title V Permit
55. Copies of all fuel invoices, gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
56. Permittee shall maintain records of the wet ESP's secondary DC voltage and shall be made readily available for District inspection upon request [District Rule 2201] Federally Enforceable Through Title V Permit
57. Permittee shall maintain records of volume of fuel gas burned and TEOR gas incinerated, fuel gas and TEOR gas sulfur content, and such records shall be retained on site for a period of at least five years and shall be made readily available for District inspection upon request. [District Rules 1070 and 2520, 9.4.2] Federally Enforceable Through Title V Permit

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58. Sulfur compound emissions shall not exceed 0.11 lb of sulfur per million BTU. Compliance with this requirement may be demonstrated by firing the unit only on PUC or FERC regulated natural gas; multiplying the reported sulfur content of each fuel in lb/MMBtu by the maximum heat input rating of the unit; or by a combination of source testing for sulfur compounds and fuel analysis. [District Rule 4406]
59. The concentration of sulfur compounds in the exhaust from this unit shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 4801 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
60. This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit