

DEC 31 2019

Mr. Jason Goklaney
Sentinel Peak Resources CA LLC
1200 Discovery Drive, Suite 500
Bakersfield, CA 93309

Re: Final - Authority to Construct / Certificate of Conformity (Significant Mod)
Facility Number: S-1372
Project Number: S-1193903

Dear Mr. Goklaney:

The Air Pollution Control Officer has issued Authority to Construct (ATC) S-1372-438-1 with a Certificate of Conformity to Sentinel Peak Resources CA LLC at western Kern County. The application is for a new steam generator. Enclosed are the ATC and a copy of the notice of final action that has been posted on the District's website (www.valleyair.org).

Notice of the District's preliminary decision to issue the ATC was posted on November 27, 2019. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on November 27, 2019. No comments were received following the District's preliminary decision on this project.

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

Prior to operating with the modifications authorized by the ATC, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5. Application forms are found on the District's website at www.valleyair.org/permits/TVforms.

Samir Sheikh
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

Mr. Jason Goklaney
Page 2

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: Courtney Graham, CARB (w/enclosure) via email
cc: Gerardo C. Rios, EPA (w/enclosure) via EPS



Facility # S-1372
SENTINEL PEAK RESOURCES CA LLC
1200 DISCOVERY DR, STE 500
BAKERSFIELD, CA 93309

AUTHORITY TO CONSTRUCT (ATC)

QUICK START GUIDE

1. **Pay Invoice:** Please pay enclosed invoice before due date.
2. **Modify Your Title V Permit.** Prior to operating the equipment authorized under this ATC, submit an application to modify your Title V permit. See application forms at <http://www.valleyair.org/permits/TVforms>.
3. **Fully Understand ATC:** Make sure you understand ALL conditions in the ATC prior to construction, modification and/or operation.
4. **Follow ATC:** You must construct, modify and/or operate your equipment as specified on the ATC. Any unspecified changes may require a new ATC.
5. **Notify District:** You must notify the District's Compliance Department, at the telephone numbers below, upon start-up and/or operation under the ATC. Please record the date construction or modification commenced and the date the equipment began operation under the ATC. You may NOT operate your equipment until you have notified the District's Compliance Department. A startup inspection may be required prior to receiving your Permit to Operate.
6. **Source Test:** Schedule and perform any required source testing. See http://www.valleyair.org/busind/comply/source_testing.htm for source testing resources.
7. **Maintain Records:** Maintain all records required by ATC. Records are reviewed during every inspection (or upon request) and must be retained for at least 5 years. Sample record keeping forms can be found at http://www.valleyair.org/busind/comply/compliance_forms.htm.

By operating in compliance, you are doing your part to improve air quality for all Valley residents.

For assistance, please contact District Compliance staff at any of the telephone numbers listed below.

Samir Sheikh

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. Gattysburg Avenue

Fresno, CA 93726-0244

Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region

34946 Flyover Court

Bakersfield, CA 93308-9725

Tel: 661-392-5500 FAX: 661-392-5585

AUTHORITY TO CONSTRUCT

PERMIT NO: S-1372-438-1

ISSUANCE DATE: 12/27/2019

LEGAL OWNER OR OPERATOR: SENTINEL PEAK RESOURCES CA LLC

MAILING ADDRESS: 1200 DISCOVERY DR, STE 500
BAKERSFIELD, CA 93309

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NE7 **TOWNSHIP:** 30S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR (#77) WITH A NORTH AMERICAN GLE BURNER, FLUE GAS RECIRCULATION AND AN O2 CONTROLLER

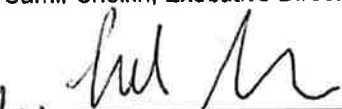
CONDITIONS

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. ATC S-1372-438-0 is hereby cancelled. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Prior to operating equipment under this Authority to Construct, permittee shall surrender NOx emission reduction credits for the following quantity of emissions: 1st quarter - 1,731 lb, 2nd quarter - 1,731 lb, 3rd quarter - 1,732 lb, and 4th quarter - 1,732 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 8/15/19) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
5. ERC Certificate Numbers S-4837-2 and S-5065-2 (or a certificate split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

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.

Samir Sheikh, Executive Director / APCO



Renaud Marjollet, Director of Permit Services

S-1372-438-1 - Dec 27 2019 10:25AM - EDGEHILR Joint Inspection NOT Required

6. Prior to operating equipment under this Authority to Construct, permittee shall surrender SOx emission reduction credits for the following quantity of emissions: 1st quarter - 795 lb, 2nd quarter - 796 lb, 3rd quarter - 796 lb, and 4th quarter - 796 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 8/15/19) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
7. ERC Certificate Numbers N-1417-5 and S-5010-5 (or a certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantity of emissions: 1st quarter - 837 lb, 2nd quarter - 838 lb, 3rd quarter - 838 lb, and 4th quarter - 838 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 8/15/19) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
9. ERC Certificate Number S-5093-4 (or a certificate split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 837 lb, 2nd quarter - 838 lb, 3rd quarter - 838 lb, and 4th quarter - 838 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 8/15/19) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
11. ERC Certificate Numbers C-1419-1 and C-1420-1 (or a certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
12. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
13. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
14. The sulfur content of any fuel, or fuels combined, shall not exceed 1 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. If the unit is fired on noncertified gaseous fuel and compliance with SOx 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 3031, D 3246, D 4084, D 4468, D 6667 or grab sample analysis by GC-FPD/TCD or double GC performed in the laboratory. [District Rule 1070, 2201, 2520, and 4320] Federally Enforceable Through Title V Permit
16. 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 monthly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 6 consecutive months for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, monthly testing shall resume. [District Rules 1070, 2201, 2520, and 4320] Federally Enforceable Through Title V Permit
17. 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 1070, 2201, 2520, and 4320] Federally Enforceable Through Title V Permit
18. Emissions shall not exceed 16.7 lb-NOx/day or 4617 lb-NOx/yr or 55.6 lb-CO/day or 13,775 lb-CO/yr. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

19. Except during startup and shutdown, emissions shall not exceed any of the following limits: 5 ppmvd NO_x @ 3% O₂ or 0.0062 lb-NO_x/MMBtu, 0.00285 lb-SO_x/MMBtu, 0.003 lb-PM₁₀/MMBtu, 25 ppmvd CO @ 3% O₂ or 0.0185 lb-CO/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
20. Emissions rates during startup and shutdown shall not exceed 0.018 lb-NO_x/MMBtu or 0.074 lb-CO/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (combined) shall not exceed 4.0 hr day. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. Flue gas recirculation system shall be operated whenever steam generator is operated. [District Rule 2201] Federally Enforceable Through Title V Permit
23. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
24. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
25. All NO_x, CO, and O₂ 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 NO_x, CO, and O₂ 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 sample 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 Rule]
26. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
27. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
28. 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
29. Source testing to measure NO_x, CO, and VOC emissions from this unit while fired on natural gas shall be conducted within 60 days of initial start-up. [District Rules 2201, 4305, 4306 and 4320]

30. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted 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
31. When the unit changes fuel source, the unit shall undergo source testing to measure NO_x and CO emissions within 60 days of the change unless the unit has already undergone source testing in the last twelve (12) months or thirty-six (36) months after demonstrating compliance on the previous two (2) source tests when fired on that fuel source. [District Rule 2201] Federally Enforceable Through Title V Permit
32. 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
33. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
34. 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
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SO_x - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H₂S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. . [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
36. 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
37. Permittee shall maintain records of duration of each start-up and shutdown for a period of five years and make such records readily available for District inspection upon request. [District Rule 4320] Federally Enforceable Through Title V Permit
38. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
39. Records of sulfur content (gr S/100 scf) of combusted gas shall be maintained. [District Rules 1070, 2201, and 4320] Federally Enforceable Through Title V Permit
40. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit