



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



JUN 10 2015

Mr. Shamim Reza
Linn Operating Inc
5201 Truxtun Ave
Bakersfield, CA

Re: Final - Authority to Construct / Certificate of Conformity (Significant Mod)
District Facility # S-3585
Project # 1151709

Dear Mr. Reza:

The Air Pollution Control Officer has issued Authorities to Construct (S-3585-9-12 and S-34-0) with Certificates of Conformity to Linn Operating Inc at Central Kern County. The project authorizes a new steam generator and modification of existing wells. 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.

Note that Condition #43 of ATC S-3585-9-12 was revised to clarify that records on Pressure Relief Device (PRD) releases are to be submitted no later than 60 days after the end of the calendar year as stated in Section 6.1.10 of Rule 4401.

Notice of the District's preliminary decision to issue the Authority to Construct permit was published on April 24, 2015. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on April 21, 2015. 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. Application forms have been enclosed for your use. These forms may also be found on the District's website at www.valleyair.org.

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

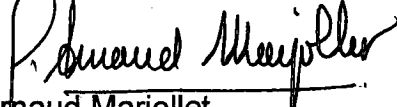
34946 Flyover Court
Bakersfield, CA 93308-9725

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

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



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



Facility # S-3585
LINN OPERATING, INC
5201 TRUXTUN AVE, SUITE 100
BAKERSFIELD, CA 93309

AUTHORITY TO CONSTRUCT (ATC)

QUICK START GUIDE

1. **Pay Invoice.** Please pay enclosed invoice before due date.
2. **Fully Understand ATC.** Make sure you understand ALL conditions in the ATC prior to construction, modification and/or operation.
3. **Follow ATC.** You must construct, modify and/or operate your equipment as specified on the ATC. Any unspecified changes may require a new ATC.
4. **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.
5. **Source Test.** Schedule and perform any required source testing. See http://www.valleyair.org/busind/comply/source_testing.htm for source testing resources.
6. **Maintain Records.** Maintain all records required by ATC. Records are reviewed during every inspection (or upon request) and must be retained for 5 years.

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.**

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 93308-8725
Tel: 661-392-5500 FAX: 661-392-5565

www.valleyair.org

www.healthyairliving.com



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT


HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-3585-9-12

ISSUANCE DATE: 06/03/2015

LEGAL OWNER OR OPERATOR: LINN OPERATING, INC
MAILING ADDRESS: 5201 TRUXTUN AVE, SUITE 100
BAKERSFIELD, CA 93309

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
CA

SECTION: 14 **TOWNSHIP:** 27S **RANGE:** 27E

EQUIPMENT DESCRIPTION:

MODIFICATION OF TEOR OPERATION WITH CASING GAS COLLECTION SYSTEM WITH SULFUR TREATMENT SYSTEM SERVING 275 STEAM-ENHANCED WELLS CONNECTED TO TANK VAPOR RECOVERY SYSTEM S-3585-1 AND VENTED TO A FLARE AND/OR STEAM GENERATORS -8, -17, -24 AND -28. AUTHORIZE STEAM GENERATOR '1-34 AS ADDITIONAL DISPOSAL DEVICE

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. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311] Federally Enforceable Through Title V Permit
4. The outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311] 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-3585-9-12: Jun 4 2015 12:58PM - EDGEHILL : Joint Inspection NOT Required

5. Except for flares equipped with a flow-sensing ignition system, a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device, capable of continuously detecting at least one pilot flame or the flare flame is present shall be installed and operated. Flares that use flow-sensing automatic ignition systems and which do not use a continuous flame pilot shall use purge gas for purging. [District Rule 4311] Federally Enforceable Through Title V Permit
6. Flare gas pressure shall be greater than or equal to 5 psig. [District Rules 4001 and 4311] Federally Enforceable Through Title V Permit
7. Air-assist blower shall be maintained and operated for smokeless combustion. [District Rules 2201 and 4101] Federally Enforceable Through Title V Permit
8. Flare shall be equipped with operational produced gas volume flow meter. [District Rule 2201] Federally Enforceable Through Title V Permit
9. The total number of leaks in the TEOR system shall not exceed 15. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
10. There shall be no components with any gas leaks greater than 50,000 ppmv. [District Rule 4401] Federally Enforceable Through Title V Permit
11. Pilot gas flow rate to flare shall not exceed 1,500 scf per day. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Flow rate of collected casing gas and tank vapor recovery gas to the flare shall not exceed 251,580 scf per day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Pilot shall be fired only on PUC quality natural gas containing no more than 1 grain-S/100 scf. [District Rule 2201] Federally Enforceable Through Title V Permit
14. The weight percentage of VOC in the total organic compounds in the TEOR gas shall not exceed 52%. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Sulfur compounds of casing gas and tank vapor recovery gas shall be reduced by a minimum of 95% across the sulfur treatment system or to an outlet concentration not exceeding 2.91 grain/100 scf. Compliance with sulfur treatment system control efficiency or outlet concentration limit shall be demonstrated annually by measuring the inlet and/or outlet flows to the treatment system, as appropriate. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Emissions from the flare shall not exceed any of the following limits: 0.068 lb-NO_x/MMBtu, 0.0083 lb-SO_x/MMBtu, 0.008 lb-PM₁₀/MMBtu, 0.37 lb-CO/MMBtu, or 0.063 lb-VOC/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Fugitive emissions from the TEOR system shall not exceed 58.4 lb-VOC/day. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Un-condensable vapors from these steam enhanced wells shall be incinerated in the flare and/or steam generators S-3585-8 (J401), -17 (J403), -24 (J404), -28 (J405), and -34. [District Rule 2201] Federally Enforceable Through Title V Permit
19. The gas being flared shall be tested for sulfur content every week in which it operates. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive sulfur tests, then the fuel sulfur testing frequency shall be semi-annually. If a semi-annual fuel sulfur test fails to show compliance, weekly testing shall resume as indicated above until compliance with the sulfur limits can be demonstrated for 8 consecutive sulfur tests. If the unit is not operated during the interval between the semi-annual sulfur testing, the test need not be performed until the unit is operated again. [District Rule 2201] Federally Enforceable Through Title V Permit
20. The sulfur content of the gas being flared shall be determined using ASTM D 1072, D 3031, D 4084, D 3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2201] Federally Enforceable Through Title V Permit
21. The TEOR gas shall be tested annually for VOC content. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

22. VOC content of gas shall be determined by ASTM D1945, EPA Method 18 referenced as methane, or equivalent test method with prior District approval. [District Rule 2201] Federally Enforceable Through Title V Permit
23. Any open steam-enhanced crude oil production well vents shall be connected to a VOC collection and control system that has a VOC destruction or removal efficiency of at least 99%. [District Rule 4401] Federally Enforceable Through Title V Permit
24. There shall be no open ended lines or valves located at the end of any lines that are not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations requiring process fluid flow through the open-ended lines. Attended operations include draining or degassing operations, connection of temporary process equipment, sampling of process streams, emergency venting, and other normal operational needs, provided such operations are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
25. Unless otherwise specified, an operator shall perform all component inspections and gas leak measurements pursuant to the requirements of Section 6.3.3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
26. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401] Federally Enforceable Through Title V Permit
27. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but no later than any of the following limits: 14 calendar days for minor gas leaks, 5 calendar days for major gas leaks between 10,000 ppm and 50,000 ppmv, 2 calendar days for major gas leaks in excess of 50,000 ppmv, 3 calendar days for minor liquid leaks and 2 calendar days for major liquid leaks. [District Rule 4401] Federally Enforceable Through Title V Permit
28. An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but no later than any of the following limits: 14 calendar days for minor gas leaks, 5 calendar days for major gas leaks between 10,000 ppm and 50,000 ppmv, 2 calendar days for major gas leaks in excess of 50,000 ppmv, 3 calendar days for minor liquid leaks and 2 calendar days for major liquid leaks. [District Rule 4401] Federally Enforceable Through Title V Permit
29. An operator shall initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release. An operator shall re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection. [District Rule 4401] Federally Enforceable Through Title V Permit
30. An operator shall inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. [District Rule 4401] Federally Enforceable Through Title V Permit
31. Except for PRDs subject to the requirements of Section 5.8.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401] Federally Enforceable Through Title V Permit
32. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401] Federally Enforceable Through Title V Permit
33. A District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401] Federally Enforceable Through Title V Permit
34. Upon detection of a leaking component, the operator shall affix to that component a weatherproof, readily visible tag, bearing the date and time when the leak was detected, the date and time of the leak measurement, and the concentration in ppmv. The tag shall remain in place until the leaking component is repaired or replaced and reinspected (using EPA test method 21) and found to be in compliance with the requirements of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

35. The operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
36. If an operator has minimized a leak in a non-critical or non-essential component, but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall either repair or replace the leaking component, vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation as soon as practicable, but no later than any of the following limits: 14 calendar days for minor gas leaks, 5 calendar days for major gas leaks between 10,000 ppm and 50,000 ppmv, 2 calendar days for major gas leaks in excess of 50,000 ppmv, 3 calendar days for minor liquid leaks and 2 calendar days for major liquid leaks. [District Rule 4401] Federally Enforceable Through Title V Permit
37. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of Rule 4401, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
38. An operator shall maintain records required by Section 6.1, including all of the following information: 1) The date and well identification where steam injection or well stimulation occurs, 2) The inspection log pursuant to Section 6.4 of Rule 4401, 3) Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration, 4) Copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401, 5) A copy of the APCO-approved Operator Management Plan at the facility, 6) A list of all gauge tanks including the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment, and 8) The date that any PRD release is discovered, and the identity and location of the PRD that released. [District Rule 4401] Federally Enforceable Through Title V Permit
39. An operator shall maintain an inspection log that includes all of the following data: 1) The total number of components inspected, and the total number and percentage of leaking components found by component type, 2) The location, type, and name or description of each leaking component and description of any unit where the leaking component is found, 3) The date of leak detection and the method of leak detection, 4) For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak, 5) The date of repair, replacement, or removal from operation of leaking components, 6) The identity and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, 7) The methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, 9) The inspector's name, business mailing address, and business telephone number, and 10) The date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
40. An operator shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

41. An operator shall prepare and submit an Operator Management Plan (OMP) for approval by the APCO, using diagrams, charts, spreadsheets, or other methods approved by the APCO to describe the information required. The OMP shall include all of the following information: 1) A description of all wells and all associated VOC collection and control systems subject to Rule 4401, and all wells and all associated VOC collection and control systems that are exempt pursuant to Section 4.0 of Rule 4401, 2) Identification and description of any known hazard that might affect the safety of an inspector, 3) Except for pipes, the number of components that are subject to Rule 4401 by component type, 4) Except for pipes, the number and types of major components, inaccessible components, unsafe-to-monitor components, critical components, and essential components that are subject to Rule 4401 and the reasons for such designation, 5) Except for pipes, the location of components subject to Rule 4401 (components may be grouped together functionally by process unit or facility description), 6) Except for pipes, components exempt pursuant to Section 4.8 of Rule 4401 (except for components buried below ground) may be described in the OMP by grouping them functionally by process unit or facility description. The results of any laboratory testing or other pertinent information to demonstrate compliance with the applicable exemption criteria for components for which an exemption is being claimed pursuant to Sections 4.8 of Rule 4401 shall be submitted with the OMP, 7) A detailed schedule of an operator's inspections of components to be conducted as required by Rule 4401 and whether the required operator inspections of components will be performed by a qualified contractor or by an in-house team, 8) A description of the training standards for personnel that inspect and repair components, and 9) A description of the leak detection training for conducting the test method specified in Section 6.3.3 of Rule 4401 for new operators, and for experienced operators, as necessary. [District Rule 4401] Federally Enforceable Through Title V Permit
42. No provision of the Operator Management Plan, approved or not, shall conflict with or take precedence over any provision of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
43. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year of the release to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401] Federally Enforceable Through Title V Permit
44. By January 30 of each year, an operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to an existing Operator Management Plan. [District Rule 4401] Federally Enforceable Through Title V Permit
45. Daily records of the amount of gas combusted in the flare shall be maintained. [District Rule 2201] Federally Enforceable Through Title V Permit
46. Records of all TEOR gas sulfur and VOC content analyses shall be maintained. [District Rules 2201] Federally Enforceable Through Title V Permit
47. Permittee shall maintain with the permit a list of all steam enhanced wells connected to the TEOR system, and an accurate fugitive component count and the resulting emissions calculated pursuant to CAPCOA document, "California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-2c, "Oil and Gas Production," using screening value ranges emission factors. [District Rule 2201] Federally Enforceable Through Title V Permit
48. All records shall be retained for a period of at least 5 years and shall be made available for District inspection, California Air Resources Board (ARB), and EPA upon request. [District Rule 4401] Federally Enforceable Through Title V Permit



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT


HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-3585-34-0

ISSUANCE DATE: 06/03/2015

LEGAL OWNER OR OPERATOR: LINN OPERATING, INC
MAILING ADDRESS: 5201 TRUXTUN AVE, SUITE 100
BAKERSFIELD, CA 93309

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
CA

SECTION: NW 14 TOWNSHIP: 27S RANGE: 27E

EQUIPMENT DESCRIPTION:

85 MMBTU/HR TEOR/NATURAL GAS FIRED STEAM GENERATOR WITH A NORTH AMERICAN MAGNA-FLAME LE LOW NOX BURNER, FLUE GAS RECIRCULATION (FGR), AND O2 CONTROLLER (POSO CREEK)

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. Prior to operating equipment under this Authority to Construct, permittee shall surrender NOX emission reduction credits for the following quantity of emissions: 1st quarter - 2234 lb, 2nd quarter - 2234 lb, 3rd quarter - 2234 lb, and fourth quarter - 2234 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantity of emissions: 1st quarter - 2122 lb, 2nd quarter - 2122 lb, 3rd quarter - 2122 lb, and fourth quarter - 2123 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit

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-3585-34-0 Jun 3 2015 7:57AM - EDGENLR Joint Inspection NOT Required

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

5. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 1535 lb, 2nd quarter - 1536 lb, 3rd quarter - 1536 lb, and fourth quarter - 1536 lb.. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
6. ERC Certificate Numbers S-4490-1, N-1288-2, and N-1288-4 (or 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
7. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of fuel combusted in the unit shall be installed, utilized and maintained. [District Rule 2201 and 40 CFR 60.48c (g)] Federally Enforceable Through Title V Permit
8. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
9. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
10. 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
11. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201] Federally Enforceable Through Title V Permit
12. This unit shall be fired on PUC quality natural gas, but not solely PUC quality natural gas; or gaseous fuel treated to remove 95% by weight of sulfur compounds, or gaseous fuel treated such that the sulfur content of all fuel streams combined does not exceed 1 gr of sulfur compounds (as S) per 100 dscf. [District Rule 2201] Federally Enforceable Through Title V Permit
13. The unit shall only be fired on natural/TEOR/ethane-rich gas with a maximum sulfur content of 1.75 gr S/100scf. [District Rules 2201, 4301, and 4320] Federally Enforceable Through Title V Permit
14. At least quarterly, the permittee shall monitor using the methods specified in this permit the higher heating value of each non-certified fuel supplied to this unit, or, alternatively, have the higher heating value certified by the fuel supplier. The records of higher heating value and quantity of fuel combusted shall be used to demonstrate that the rated heat input capacity of this unit, as averaged over a calendar quarter, is not exceeded. [District Rules 2201] Federally Enforceable Through Title V Permit
15. The higher heating value of each non-certified fuel shall be certified by a third party fuel supplier or determined by ASTM D1826 or D1945 in conjunction with ASTM D 3588. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
16. Except for periods of startup and shutdown, emissions from the natural gas-fired unit shall not exceed any of the following limits: 7 ppmvd NOx @ 3% O2 or 0.008 lb-NOx/MMBtu, 0.0076 lb-PM10/MMBtu, 25 ppmvd CO @ 3% O2 or 0.0185 lb-CO/MMBtu, or 0.0055 lb-VOC/MMBtu. [District Rules 2201, 4201, 4301, 4305, 4306, 4320, and 4801] Federally Enforceable Through Title V Permit
17. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up 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 start-up and shutdown periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
18. 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 Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

19. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial startup and at least once every twelve (12) months thereafter. 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 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
20. 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
21. 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
22. 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
23. 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
24. 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
25. 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
26. Fuel sulfur content shall be determined using EPA Method 11 or Method 15. [District Rule 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. 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
29. The permittee shall monitor and record the stack concentration of NOx, 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
30. If either the NOx 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

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31. 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
32. 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
33. If the steam generator is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rule 4320] Federally Enforceable Through Title V Permit
34. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320] Federally Enforceable Through Title V Permit
35. Permittee shall submit notification to the District of the date of construction, anticipated startup, and actual startup. Notifications shall be postmarked no later than 30 days after construction and 15 days after actual startup. The notifications shall include the design heat input and identification of fuels for this permit unit. [40 CFR 60.48c (a)] Federally Enforceable Through Title V Permit
36. Permittee shall maintain daily records of the type and quantity of fuel combusted by the steam generator. [District Rule 2201 and 40 CFR 60.48c (g)] Federally Enforceable Through Title V Permit
37. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit
38. 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, 4320 and 40 CFR 60.48c (i)] Federally Enforceable Through Title V Permit