

PUBLIC NOTICE CHECK LIST

PROJECT #: S-43 PROJECT #: S-1122749

REQST. COMPL.

√
√
√

ERC PRELIMINARY PUBLIC NOTICE

Newspaper Notice Emailed to Clerical (Check box and tab to generate Notice)

Send email to "OA-PublicNotices" containing the following:

SUBJECT: facility name, facility id#, project #, type of notice (prelim/final)

BODY: project description and why it is being noticed (Emission Reduction Credit Banking)

ENCLOSED DOCUMENTS REQUIRE:

√

Enter Correct Date, Print All Documents from File and Obtain Director's Signature

√

Determine date comment period will end, enter date on Newspaper Notice and Aviso en Español, and Email **PRELIMINARY** Newspaper Notice for Publication in Bakersfield Californian Pub Date: 5/18 Due Date: 4/17

√

Mail/email **PRELIMINARY** Notice Letter to Applicant (email address: none) with the following attachments:

√ Application Evaluation

√ Newspaper Notice

√

Email **PRELIMINARY** Public Notice package to EPA

√

Email **PRELIMINARY** Public Notice package to CARB

√

Email **PRELIMINARY** Newspaper Notice, Aviso en Español and Public Notice package to "webmaster"

√

After posted on website, send email with weblink of Newspaper notice, Aviso en Español, and full public notice package to:

√ specific [C, S, or N] region and District wide permitting notification list-serves (both English and Spanish list serves)

√ facility specific distribution list, (AQE – enter email address from PAS facility details notifications tab, if none enter NONE below): none

√

Mail the newspaper notice and aviso en español (NN/AE), or full public notice package (FPNP) to the persons on facility specific distribution list, as follows (entered by AQE, if none, enter NONE below):

NN/AE or FPNP Name/address: none

NN/AE or FPNP Name/address: none

√

Send **PRELIMINARY** Public Notice package to EDMS

—

Other Special Instructions (please specify): _____

Date Completed 2/18/13/By Steve Roeder

*Trackear
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list serve*

CALIFORNIA NEWSPAPER SERVICE BUREAU

DAILY JOURNAL CORPORATION

Mailing Address : 915 E FIRST ST, LOS ANGELES, CA 90012
Telephone (213) 229-5300 / Fax (213) 229-5481
Visit us @ WWW.LEGALADSTORE.COM

Song
SAN JOAQUIN VALLEY AIR POLL CONTROL DIST
1990 E. GETTYSBURG AVE.
FRESNO, CA 93726

CNS 2599678

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: Prelim ERC S-1122749, Aera Energy, Bakersfield

To the right is a copy of the notice you sent to us for publication in the THE BAKERSFIELD CALIFORNIAN. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

03/18/2014

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- ORANGE COUNTY REPORTER, SANTA ANA (714) 543-2027
- SAN DIEGO COMMERCE, SAN DIEGO (619) 232-3486
- SAN FRANCISCO DAILY JOURNAL, SAN FRANCISCO (800) 640-4829
- SAN JOSE POST-RECORD, SAN JOSE (408) 287-4866
- THE DAILY RECORDER, SACRAMENTO (916) 444-2355
- THE INTER-CITY EXPRESS, OAKLAND (510) 272-4747

NOTICE OF PRELIMINARY DECISION FOR THE PROPOSED ISSUANCE OF EMISSION REDUCTION CREDITS

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Aera Energy, LLC for the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs proposed for banking is 12,003 metric tons CO2e/yr.

The analysis of the regulatory basis for this proposed action, Project #S-1122749, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by April 17, 2014 to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34846 FLYOVER COURT, BAKERSFIELD, CA 93308. 3/18/14 CNS-2599678# THE BAKERSFIELD CALIFORNIAN



Song Thao

From: Song Thao
Sent: Thursday, March 13, 2014 1:58 PM
To: Gerardo Rios (SJV_T5_Permits@epa.gov.); Mike Tollstrup (mtollstr@arb.ca.gov)
Subject: Preliminary ERC Public Notice for Aera Energy LLC Facility S-43 Project S-1122749
Attachments: Prelom S-1122749.PDF; Newspaper.PDF

Importance: High

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Aera Energy, LLC for the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs proposed for banking is 12,003 metric tons CO₂e/yr.

Song Thao

From: Microsoft Outlook
To: Mike Tollstrup (mtollstr@arb.ca.gov)
Sent: Thursday, March 13, 2014 1:58 PM
Subject: Relayed: Preliminary ERC Public Notice for Aera Energy LLC Facility S-43 Project S-1122749

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

[Mike Tollstrup \(mtollstr@arb.ca.gov\)](mailto:mtollstr@arb.ca.gov) (mtollstr@arb.ca.gov)

Subject: Preliminary ERC Public Notice for Aera Energy LLC Facility S-43 Project S-1122749

Song Thao

From: Mail Delivery System <MAILER-DAEMON@mintra12.rtp.epa.gov>
To: SJV_T5_Permits@epamail.epa.gov
Sent: Thursday, March 13, 2014 1:58 PM
Subject: Expanded: Preliminary ERC Public Notice for Aera Energy LLC Facility S-43 Project S-1122749

Your message has been delivered to the following groups:

SJV_T5_Permits@epamail.epa.gov

Subject: Preliminary ERC Public Notice for Aera Energy LLC Facility S-43 Project S-1122749

Song Thao

From: Song Thao
Sent: Thursday, March 13, 2014 1:59 PM
To: WebTeam
Subject: valleyair.org update: Preliminary ERC Public Notice for Aera Energy LLC Facility S-43 Project S-1122749
Attachments: Prelom S-1122749.PDF; Newspaper.PDF; Aviso.PDF

March 13, 2014 (Facility S-43 Project S-1122749) NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Aera Energy, LLC for the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs proposed for banking is 12,003 metric tons CO₂e/yr. The comment period ends on April 17, 2014.

[Newspaper Notice](#)

[Aviso](#)

[Public Notice Package](#)

Song Thao

From: Song Thao
Sent: Friday, March 14, 2014 1:18 PM
To: All Region (Notices_of_Permitting_Actions-All_Regions@lists.valleyair.org); South (Notices_of_Permitting_Actions-Southern_Region@lists.valleyair.org)
Subject: Public Notice on Permitting Action S-1122749

The District has posted a new permitting public notice. The public notice can be viewed on our website at: [http://www.valleyair.org/notices/Docs/2014/03-13-14_\(S-1122749\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2014/03-13-14_(S-1122749)/Newspaper.pdf)

For a list of public notices and public notice packages, please visit our website at: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Thank you.

Song Thao

From: Song Thao
Sent: Friday, March 14, 2014 1:19 PM
To: All Spanish (Avisos_Sobre_Acciones_de_Permisos-Todos@lists02.valleyair.org)
Subject: Aviso Publico Sobre Acciones de Permisos S-1122749

El Distrito del Aire a publicado un nuevo aviso público de permiso. El aviso público se puede ver en nuestro sitio de web en: [http://www.valleyair.org/notices/Docs/2014/03-13-14_\(S-1122749\)/Aviso.pdf](http://www.valleyair.org/notices/Docs/2014/03-13-14_(S-1122749)/Aviso.pdf)

Para obtener una lista de avisos públicos y paquetes de avisos públicos, por favor visite nuestro sitio de web en: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Gracias

**AVISO DE DECISIÓN PRELIMINAR
PARA LA PROPUESTA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Distrito Unificado para el Control de la Contaminación del Aire del Valle de San Joaquín está solicitando comentarios del público para la propuesta emisión de Certificados de Reducción de Emisiones (ERC, por sus siglas en inglés) a Aera Energy, LLC para la clausura de seis motores de gas natural que apoderan compresores, y un calentador de aceite, en the Lost Hills Section 15P Gas Plant near Lost Hills, CA. La cantidad de ERCs propuestas para almacenar es 12,003 toneladas de CO2e/año.

El análisis de la base regulatoria para esta acción propuesta, Proyecto #S-1122749, está disponible para la inspección pública en http://www.valleyair.org/notices/public_notices_idx.htm y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500. Comentarios por escrito acerca de este propuesto permiso inicial deben de ser sometidos antes del 17 de Abril del 2014 a **DAVID WARNER, DIRECTOR DEL DEPARTAMENTO DE PERMISOS, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Aera Energy, LLC for the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs proposed for banking is 12,003 metric tons CO2e/yr.

The analysis of the regulatory basis for this proposed action, Project #S-1122749, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by April 17, 2014 to **DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

MAR 13 2014

Brent Winn
Aera Energy, LLC
PO Box 11164
Bakersfield, CA 93389

Re: Notice of Preliminary Decision – Emission Reduction Credits
Facility Number: S-43
Project Number: S-1122749

Dear Mr. Winn:

Enclosed for your review and comment is the District's analysis of Aera Energy, LLC's application for Emission Reduction Credits (ERCs) resulting from the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs proposed for banking is 12,003 metric tons CO₂e/yr.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. After addressing all comments made during the 30-day public notice comment period, the District intends to issue the ERCs. Please submit your written comments on this project within the 30-day public comment period, as specified in the enclosed public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Steve Roeder of Permit Services at (661) 392- 5615.

Sincerely,

David Warner
Director of Permit Services

DW:SR/st

Enclosures

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

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

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

**San Joaquin Valley Air Pollution Control District
ERC Application Review
Shutdown of Six Engines and One Oil Heater**

Facility Name: Aera Energy, LLC
Mailing Address: PO Box 11164
Bakersfield, CA 93389

Date: February 18, 2014
Engineer: Steve Roeder
Lead Engineer: Allan Phillips

Contact Person: Brent Winn @ (661) 665-4363
Facility ID: S-43
Project #: S-1122749
Submitted: July 16, 2012
Deemed Complete: July 18, 2012

I. Summary

The primary business of Aera is the production of oil and natural gas.

Aera had previously shut down their Lost Hills Section 15 Gas Plant including 6 compressor engines (S-43-4, -5, -6, -7, -8 and -9) and one oil heater (S-43-15). The permits have been surrendered and the equipment has all been sold and removed.

Aera has banked the criteria emission reductions (NO_x, SO_x, PM₁₀, CO and VOC) from the shutdown of the engines (ERC Project S-1075362) and the oil heater (ERC Project S-1080067) and has proposed to bank the reductions in greenhouse gasses (GHG) from the shutdowns in this project. See the surrendered permits in Appendix A.

The following emission reductions qualify for banking.

| Bankable GHG ERCs (metric tons/year) | |
|--------------------------------------|--------|
| GHG | 12,003 |

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)
Rule 2301 Emission Reduction Credit Banking (1/19/12)

III. Location of Reduction

The engines and oil heater were located at the Lost Hills Section 15 Gas Plant located in NE Section 15, Township 27S, Range 21E in Lost Hills.

IV. Method of Generating Reductions

The method of emission reductions is the permanent shutdown of 6 (three 1,100 hp and three 826 hp) lean burn natural gas-fired IC engines driving Section 15 Gas Plant Compressors (S-43-4 through '-9) and one 5 MMBtu/hr natural gas-fired oil heater (S-43-15).

All permits were surrendered on August 27, 2007, the equipment was sold and removed from site, and no other engines or electric motors are being used to compress the gas. According to the applicant, the Lost Hills Section 15 Gas Plant was shut down due to declining gas production in the fields surrounding the plant.

V. Calculations

A. Assumptions

- Units of GHG AER is metric tons of CO₂e per year, rounded to the nearest metric ton
- 1,000 kg = 1 metric ton
- The final CO₂e emission factor from the combustion of natural gas includes GHG emissions of CO₂, CH₄ and N₂O, where the total emission factor includes the summation of each of the compounds multiplied by their Global Warming Potential (GWP)
- The emission factors are from the District's Spreadsheet: ARB GHG Emission Factors
- Monthly fuel use records have been provided by the applicant
- Annual emissions are based on fuel usage and the CO₂e emission factor
- The HHV for the engine gas is taken from a field gas analysis as presented in Project S-1075362 and is 1,106 Btu/scf
- The HHV for the oil heater gas is taken from a field gas analysis as presented in Project S-1080067 and is 1,130 Btu/scf

B. Emission Factors

The CO₂e emission factor is taken from the District's Spreadsheet "ARB – Greenhouse Gas Emission Factors" and is calculated in lb/MMBtu to three significant figures in the following table.

| Natural Gas Emission Factors | | | | | |
|------------------------------|------------|---------------|-------|----------------------|----------|
| Pollutant | kg/MMBtu x | 2.205 lb/kg x | GWP = | CO ₂ e EF | |
| CO ₂ | 52.87 | 2.205 | 1.00 | 116.578 | lb/MMBtu |
| CH ₄ | 0.0009 | 2.205 | 21.00 | 0.0417 | lb/MMBtu |
| N ₂ O | 0.0001 | 2.205 | 310.0 | 0.0684 | lb/MMBtu |
| Total CO ₂ e | | | | 117 | lb/MMBtu |

C. Baseline Period Determination

Pursuant to Rule 2201, the Baseline Period is a period of time equal to either:

- The two consecutive years of operation immediately prior to the submission date of the Complete Application; or*
- At least two consecutive years within the five years immediately prior to the submission date of the Complete Application if determined by the APCO as more representative of normal source operation.*

The baseline period for the engines and the oil heater have been previously determined by the District during ERC Projects S-1075362 and S-1080067. The same baseline periods will be used for this project as follows.

1. Engines

The time period from 4th Quarter 2002 through 3rd Quarter 2004 was selected as the baseline period for the engines.

2. Oil Heater

The time period from 1st Quarter 2003 through 4th Quarter 2004 (excluding January 2003) was selected as the baseline period.

D. Baseline Data

1. Engine Baseline Data

The baseline fuel-use is taken from the annual fuel-use records that have been supplied by the applicant, as evaluated in ERC projects S-1075362 and S-1080067.

The monthly fuel-use for each engine is combined into total fuel-use for all-engines-combined in Appendix B.

The fuel use is combined into two-year monthly totals, then divided into the single-year monthly average, and finally the grand annual average fuel-use in the following table.

| Monthly Baseline Fuel-Use in 1,000 SCF | | | | | |
|--|--------|--------|--------|---------|----------------|
| Month | 2002 | 2003 | 2004 | Monthly | Monthly |
| Jan | | 16,944 | 13,636 | 30,580 | 15,290 |
| Feb | | 15,122 | 13,342 | 28,464 | 14,232 |
| Mar | | 16,500 | 13,539 | 30,039 | 15,020 |
| Apr | | 14,729 | 11,932 | 26,661 | 13,331 |
| May | | 16,630 | 7,477 | 24,107 | 12,054 |
| Jun | | 15,631 | 7,791 | 23,422 | 11,711 |
| Jul | | 15,626 | 9,174 | 24,800 | 12,400 |
| Aug | | 16,089 | 9,396 | 25,485 | 12,743 |
| Sep | | 15,280 | 8,536 | 23,816 | 11,908 |
| Oct | 16,336 | 17,148 | | 33,484 | 16,742 |
| Nov | 15,550 | 16,713 | | 32,263 | 16,132 |
| Dec | 16,207 | 16,217 | | 32,424 | 16,212 |
| Grand Annual Average Fuel Use | | | | | 167,775 |

2. Oil Heater Baseline Data

The monthly oil heater fuel-use data is taken from project S-1080067 and is combined into an annual average total in the following table.

| Monthly Baseline Fuel-Use in 1,000 SCF | | | | |
|--|-------|-------|---------------|-----------------|
| Month | 2003 | 2004 | Monthly Total | Monthly Average |
| Jan | 3,188 | 3,253 | 6,441 | 3,221 |
| Feb | 2,794 | 3,148 | 5,942 | 2,971 |
| Mar | 3,032 | 3,197 | 6,229 | 3,115 |
| Apr | 2,759 | 3,159 | 5,918 | 2,959 |
| May | 3,136 | 3,115 | 6,251 | 3,126 |
| Jun | 2,742 | 2,614 | 5,356 | 2,678 |
| Jul | 2,651 | 3,000 | 5,651 | 2,826 |
| Aug | 2,756 | 3,124 | 5,880 | 2,940 |
| Sep | 2,615 | 3,083 | 5,698 | 2,849 |
| Oct | 2,725 | 3,188 | 5,913 | 2,957 |
| Nov | 2,833 | 3,420 | 6,253 | 3,127 |
| Dec | 2,971 | 3,371 | 6,342 | 3,171 |
| Grand Annual Average Fuel Use | | | | 35,940 |

E. Historical Actual Emissions (HAE)

1. Engines

The GHG HAE for the engines are determined by multiplying the annual fuel-use by the emission factor presented above, and is expressed in metric tons per year.

$$HAE = \frac{167,775 \text{ Mscf}}{\text{yr}} \times \frac{1,106 \text{ Btu}}{\text{scf}} \times \frac{117 \text{ lb} \cdot \text{CO}_2\text{e}}{\text{MMBtu}} \times \frac{1 \text{ metric ton}}{2,204.6 \text{ lb}} = 9,848 \frac{\text{metric tons}}{\text{year}}$$

2. Oil Heater

$$HAE = \frac{35,940 \text{ Mscf}}{\text{yr}} \times \frac{1,130 \text{ Btu}}{\text{scf}} \times \frac{117 \text{ lb} \cdot \text{CO}_2\text{e}}{\text{MMBtu}} \times \frac{1 \text{ metric ton}}{2,204.6 \text{ lb}} = 2,155 \frac{\text{metric tons}}{\text{year}}$$

3. Total

Total HAE for CO₂e is:

| Total HAE for CO ₂ e (Metric Tons per Year) | |
|---|--------|
| Engines | 9,848 |
| Oil Heater | 2,155 |
| Total | 12,003 |

VI. Compliance

Rule 2201 - New and Modified Stationary Source Review Rule

The applicant has proposed to bank ERCs for GHG. Rule 2201 provides requirements for banking the criteria pollutants, which has already been done in ERC projects S-1075362 and S-1080067. There are no additional applicable requirements from Rule 2201.

Rule 2301 – Emission Reduction Credit Banking

Regarding GHG, the purpose of this Rule is to:

- 1.2.1 Provide an administrative mechanism for sources to bank voluntary greenhouse gas emission reductions for later use.
- 1.2.2 Provide an administrative mechanism for sources to transfer banked greenhouse gas emission reductions to others for any use.
- 1.2.3 Define eligibility standards, quantitative procedures and administrative practices to ensure that banked greenhouse gas emission reductions are real, permanent, quantifiable, surplus, and enforceable.

Section 4.5 specifies eligibility criteria for GHG emission reductions to qualify for banking. Below is a summary of each criteria and a description of how the emission reductions satisfy the criteria.

Section 4.5.1 requires that the emission reduction must have occurred after 1/1/05.

The emission reductions occurred when all permits were surrendered in 2007, the equipment was sold and removed from site, and no other engines or electric motors are being used to compress the gas. Therefore, this criteria has been satisfied.

Section 4.5.2 requires that the emissions must have occurred in the District.

The emissions occurred at the Lost Hills Section 15 Gas Plant located in NE Section 15, Township 27S, Range 21E in Lost Hills. Since this location is within the District, this criteria has been satisfied.

Section 4.5.3 requires that the emission reductions must be real, surplus, permanent, quantifiable, and enforceable.

Real:

The emissions reductions were generated by the shutdown of six engines and one oil heater. The emissions were calculated from actual historic fuel-use data and recognized emission factors and source test data, therefore the emissions were real. The equipment has been removed. Therefore, the emission reductions are real.

Surplus:

Since the GHG emission reductions occurred in 2007, they were not subject to any Cap and Trade regulations on or after January 1, 2012. Therefore, the GHG emission reductions are surplus and satisfy the requirements of Section 4.5.3.1.

There are no laws, rules, regulations, agreements, orders, or permits requiring any GHG emission reductions from cotton gins. Therefore, the emission reductions satisfy the surplus requirement in Section 4.5.3.2.

Since the GHG emission reductions are not the result of an action taken by the permittee to comply with any requirement, the GHG emission reductions are surplus, additional of all requirements, and satisfy the surplus requirement in section 4.5.3.4.

Permanent:

AERA has ceased operation of the 6 IC engines and the hot oil heater and surrendered the permits. The equipment has been dismantled and removed from the facility, and there are no other engines or electric motors connected to compress any remaining gas. Since no emissions have been shifted, the reductions are permanent.

When determining the geographical boundary in which the emission reduction is determined to be permanent the applicant may consider how the GHG ERC may likely be used.

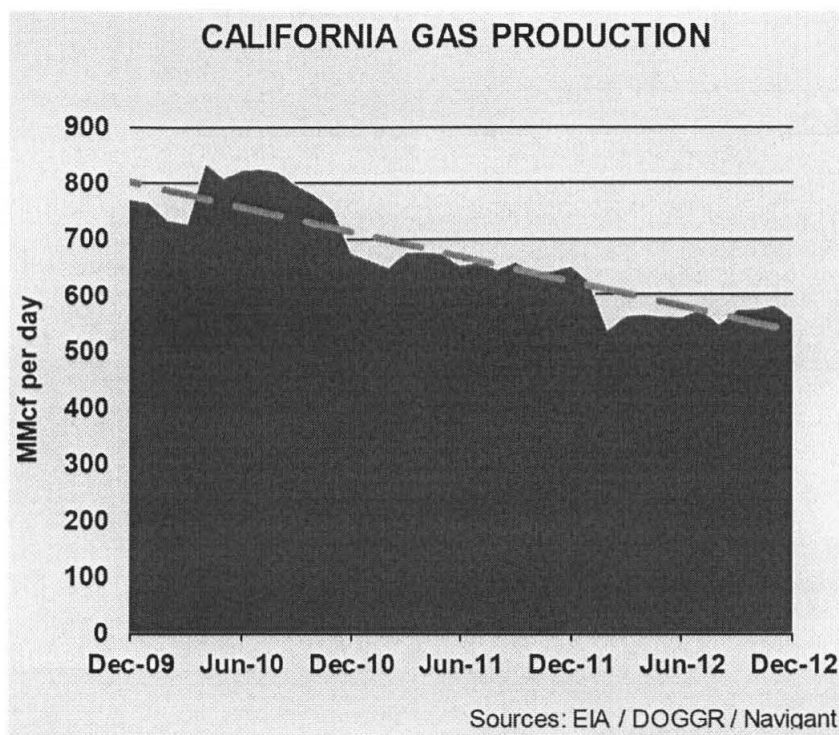
While Rule 2301 allows facilities to receive ERCs for GHG emission reductions, the District does not have any requirements regulating the use of GHG ERCs. However, it is anticipated that the likely uses of such GHG ERCs would be their future retirement as GHG mitigation in the CEQA process.

Pursuant to CEQA, lead agencies must consider the environmental impact of GHG emissions from a project and may require that such GHG emissions be mitigated. In evaluating various mitigation techniques, including the retirement of GHG ERCs, the lead agency must determine if the proposed mitigation technique adequately mitigates the projects GHG emission increase.

When a lead agency determines if the retirement of a particular GHG ERC provides adequate GHG mitigation for a project, the lead agency may choose to consider the location where the GHG ERC was generated and the geographical boundary used to determine the permanence of the emission reduction. Thus in making this determination, the lead agency may conclude that the retirement of a particular GHG ERC would provide adequate mitigation for projects within that same geographical boundary. Again, that determination will be made by the lead agency for a particular project.

This applicant has selected the State of California as the geographical boundary for which the emission reduction is permanent. Information has been provided below to validate this geographical boundary selection.

As shown in the following chart from the Division of Oil, Gas and Geothermal Resources (DOGGR), the total natural gas production in the State of California continues to decline. Gas Production has declined from 800,000,000 cubic feet per day in 12/09 to 550,000,000 cubic feet per day in 12/12.



Aera had six natural gas compressors serving the Lost Hills Plant, and due to a lack of gas to compress, all of the engines have been shut down and removed, and there are no other engines or electric motors compressing any of the remaining gas. Therefore there is no transfer of emissions to any other sources, and the emission reductions are permanent.

Based on this information, the geographical boundary for which the emission reduction is permanent is the State of California.

The ERC Certificate will include the following identifier:

"Shutdown of engines and oil heater verified as permanent within the State of California"

Quantifiable:

The actual emissions were calculated from historic fuel-use records and accepted emission factors. Therefore, the emission reductions are quantifiable and have been quantified.

Enforceable:

The engines and oil heater have been shut down and the PTOs have been surrendered to the District. Operation of the equipment without a valid permit would subject the permittee to enforcement action. Therefore, the emission reductions are enforceable.

Section 4.5.4 requires that GHG emission reductions be calculated as the difference between the historic annual average GHG emissions (as CO₂e) and the PE2 after the reduction is complete. The historical GHG emissions must be calculated using the consecutive 24 month period immediately prior to the date the emission reductions occurred, or another consecutive 24 month period in the 60 months prior to the date the emission reduction occurred if determined by the APCO as being more representative of normal operations.

The GHG emission reductions were calculated according to the baseline period identified above. Since this is a permanent shutdown of the compressor engines from a depleted natural gas field, with none of the load being shifted to any other compressor engines or electric motors in California, there is no post-project potential to emit GHG.

Section 4.5.5.5 requires that GHG emission reductions proposed to be quantified using CARB-approved emission reduction project protocols shall be calculated in accordance with the applicable protocol.

Since the GHG emission reductions are not subject to an applicable CARB-approved emission reduction project protocol, this section is not applicable.

Section 4.5.6 requires that ERCs shall be made enforceable through permit conditions or legally binding contract.

The compressor engines held a legal District operating permit. That permit has been surrendered to the District. Since the operation of a new engine would require a new Authority to Construct, as discussed above, the emission reduction is enforceable.

Section 5 identifies ERC Certificate application procedures.

Section 5.5.2 requires, for emission reductions occurring prior to 1/19/12, applications for ERCs must be submitted by 7/19/12.

The ERC application was submitted on 7/16/12, therefore the application is timely.

Section 6.15 specifies the registration requirements for GHG ERCs.

This emission reductions are surplus and additional of all requirements pursuant to Section 4.5.3.4. Therefore the ERC certificate shall include the following notation:

"This emission reduction is surplus and additional to all applicable regulatory requirements."

Compliance with Rule 2301 has been demonstrated and no adjustments are necessary.

VII. Recommendation

Issue the ERC Certificate in the amounts posted in the table below and on the attached Draft ERC Certificate.

| Bankable GHG ERCs (metric tons/year) | |
|--------------------------------------|--------|
| GHG | 12,003 |

List of Appendixes

- A. Surrendered Permits to Operate
- B. Baseline Engine Fuel Use Chart
- C. Draft ERC Certificate

Appendix A Surrendered Permits to Operate

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-4-15

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #1 INCLUDING SUPERIOR NATURAL GAS FIRED IC ENGINE AND SHARING WITH PERMITS S-43-5 AND '6 INLET SEPARATORS (V28/V29), COMPRESSOR (C-2C), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070] Federally Enforceable Through Title V Permit
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080] Federally Enforceable Through Title V Permit
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702] Federally Enforceable Through Title V Permit
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702] Federally Enforceable Through Title V Permit
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702] Federally Enforceable Through Title V Permit
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill I treating facility served by vapor collection and control system S-1548-120. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403] Federally Enforceable Through Title V Permit
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0] Federally Enforceable Through Title V Permit
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rule 4701 and 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC
Location: LOST HILLS GAS PLANT, NE 16, T.27S, R.21E., M.D.B. & M., LOST HILLS, CA
S-43-4-15 - Nov 10 2005 7:56PM - ARTABEU

16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
26. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rules 406 (Fresno), 404 (Madera), 407 (Kern, Kings, San Joaquin, Stanislaus, Merced, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
27. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rules 402 (Madera) and 404 (Fresno, Merced, Kern, Kings, San Joaquin, Stanislaus, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
28. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

29. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702] 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 4701 and 4702] Federally Enforceable Through Title V Permit
31. 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 15% 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 4701 and 4702] Federally Enforceable Through Title V Permit
32. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702] Federally Enforceable Through Title V Permit
33. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
34. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702] Federally Enforceable Through Title V Permit
35. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)] Federally Enforceable Through Title V Permit
36. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702] Federally Enforceable Through Title V Permit
37. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403] Federally Enforceable Through Title V Permit
38. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-5-14

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #2 INCLUDING SUPERIOR NATURAL GAS FIRED IC ENGINE AND SHARING WITH PERMITS S-43-4 AND '6 INLET SEPARATORS (V28/V29), COMPRESSOR (C-2B), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule]
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403]
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rules 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 4801]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2080]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas 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 2080]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2080]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2080]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. 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 4701 and 4702]
29. 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 15% 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 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]
31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
33. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]
34. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)]
35. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403]
36. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2080]

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-6-14

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #3 INCLUDING SUPERIOR NATURAL GAS IC ENGINE AND SHARING WITH PERMIT UNIT S-43-4 AND '-5 INLET SCRUBBERS (V28/V29), COMPRESSOR (C-2A), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '-5, '-6, '-7, '-8, and '-9. [District NSR Rule]
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill I treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403]
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rules 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 4801]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2080]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas 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 2080]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2080]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2080]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. 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 4701 and 4702]
29. 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 15% 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 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]
31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
33. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]
34. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)]
35. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403]
36. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2080]

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-7-11

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #4 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED W/
PERMIT UNITS S-43-8 & '9 SUCTION SCRUBBER (V-6), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-
1C), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. This engine shall not be operated after June 1, 2007 for any reason without an ATC including the Rule 4702 emissions limits and any necessary retrofits needed to comply with the applicable requirements of District Rule 4702. [District Rule 4702]
8. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule] Federally Enforceable Through Title V Permit
12. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
13. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0] Federally Enforceable Through Title V Permit
14. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
15. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC
Location: LOST HILLS GAS PLANT, NE 15, T.27S, R.21E., M.D.B. & M. LOST HILLS, CA
S-43-7-11; Rev 10/2005 1:07PM - AYABEU

16. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rule 4701] Federally Enforceable Through Title V Permit
17. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
18. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
19. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule] Federally Enforceable Through Title V Permit
21. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
22. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
23. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
25. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
26. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
27. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rules 406 (Fresno), 404 (Madera), 407 (Kern, Kings, San Joaquin, Stanislaus, Merced, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
28. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements; Rules 402 (Madera) and 404 (Fresno, Merced, Kern, Kings, San Joaquin, Stanislaus, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
29. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

30. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
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 4701 and 4702]
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 15% 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 4701 and 4702]
33. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702] Federally Enforceable Through Title V Permit
34. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
35. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
36. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-8-11

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #5 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED W/ PERMIT UNITS S-43-7 AND '9 SUCTION SCRUBBER (V-6), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-1B), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill I treating facility served by vapor collection and control system S-1548-120. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0] Federally Enforceable Through Title V Permit
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC
Location: LOST HILLS GAS PLANT, NE 15, T.27S, R.21E., M.D.B. & M., LOST HILLS, CA
S-43-8-11 : Nov 10 2006 1:57PM - AYABEU

16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
26. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rules 406 (Fresno), 404 (Madera), 407 (Kern, Kings, San Joaquin, Stanislaus, Merced, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
27. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rules 402 (Madera) and 404 (Fresno, Merced, Kern, Kings, San Joaquin, Stanislaus, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
28. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

29. If either the NOx or CO concentrations corrected to 15% O2, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
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 4701 and 4702]
31. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 15% 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 4701 and 4702]
32. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702] Federally Enforceable Through Title V Permit
33. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
34. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
35. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-9-11

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #6 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED WITH PERMIT UNITS S-43-7 AND '8 SUCTION SCRUBBER (V-6), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-1A), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0] Federally Enforceable Through Title V Permit
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC
Location: LOST HILLS GAS PLANT, NE 15, T.27S, R.21E., M.D.B. & M., LOST HILLS, CA
9-43-9-11; Nov 10 2008 1:51PM - AYABEL

16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
26. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rules 406 (Fresno), 404 (Madera), 407 (Kern, Kings, San Joaquin, Stanislaus, Merced, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
27. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rules 402 (Madera) and 404 (Fresno, Merced, Kern, Kings, San Joaquin, Stanislaus, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
28. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

29. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
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 4701 and 4702]
31. 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 15% 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 4701 and 4702]
32. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702] Federally Enforceable Through Title V Permit
33. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
34. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
35. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-15-8

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

DORMANT: 5 MMBTU/HR NATURAL GAS-FIRED HOT OIL HEATER

PERMIT UNIT REQUIREMENTS

1. The fuel supply line shall be physically disconnected from this unit. [District Rule 2080] Federally Enforceable Through Title V Permit
2. Operator shall provide written notification to the District 7 days prior to performing dormancy procedures on active systems or sections, and prior to recommencing operation of dormant systems or sections. [District Rule 2080] Federally Enforceable Through Title V Permit
3. Permittee shall not be required to perform source testing, fuel sulfur content certification, monitoring, inspections, or record keeping (except to document non-operation). [District Rule 2080] Federally Enforceable Through Title V Permit
4. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
5. Total sulfur content of natural gas combusted shall not exceed 0.75 grain/100 scf. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Emission rates shall not exceed any of the following: NO_x (as NO₂): 0.10 lb/MMBtu, or CO: 112 ppmvd @ 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Excess combustion air shall be maintained at no less than 10% unless continuous operation analyzer/controller is utilized. [District NSR Rule] Federally Enforceable Through Title V Permit
8. The pressure regulator shall be set such that the heater's natural gas supply is limited to 5.0 MMBtu/hr. [District Rules 2201, 4305, 2.0 and 4306, 2.0] Federally Enforceable Through Title V Permit
9. The pressure regulator's adjusting screw(s) shall be fixed with wire seals. [District Rule] Federally Enforceable Through Title V Permit
10. Heater shall be fired exclusively on natural gas. [District NSR Rule] Federally Enforceable Through Title V Permit
11. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and Kern County Rule 108.1] Federally Enforceable Through Title V Permit
12. Upon recommencing operation, fuel sulfur content and higher heating value shall be certified by a third party fuel supplier or 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 semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2080 and 2520, 9.3.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

13. 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 4084, D 3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
14. If fuel analysis is used to demonstrate compliance with the conditions of this permit, the fuel higher heating value for each fuel shall be certified by third party fuel supplier or determined by: ASTM D 240 or D 2382 for liquid hydrocarbon fuels; ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
15. 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, 9.3.2] Federally Enforceable Through Title V Permit
16. The operator shall maintain all records of required monitoring data and support information for inspection at any time. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Appendix B Baseline Engine Fuel-Use Chart

The engine fuel-use data is taken from ERC Project S-1075362. The fuel-use for each month for each engine is combined into monthly totals for all-engines-combined in the following table.

| | Jan 03 | Jan 04 | Feb 03 | Feb 04 | Mar 03 | Mar 04 | Apr 03 | Apr 04 | May 03 | May 04 | Jun 03 | Jun 04 | Jul 03 | Jul 04 | Aug 03 | Aug 04 | Sep 03 | Sep 04 | Oct 02 | Oct 03 | Nov 02 | Nov 03 | Dec 02 | Dec 03 |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| S-43-4 | 1,232 | 4,416 | 680 | 4,374 | 4,417 | 4,500 | 1,635 | 3,123 | 2,048 | 1,306 | 690 | 672 | 2,105 | 865 | 2,403 | 0 | 4,041 | 0 | 2,119 | 4,446 | 2,949 | 4,568 | 4,244 | 4,383 |
| S-43-5 | 4,538 | 4,378 | 3,934 | 4,425 | 3,050 | 4,744 | 3,932 | 3,867 | 4,205 | 2,041 | 3,232 | 14 | 2,037 | 1,351 | 1,873 | 77 | 2,913 | 359 | 3,396 | 4,508 | 3,920 | 4,574 | 2,089 | 4,122 |
| S-43-6 | 3,305 | 159 | 3,686 | 45 | 1,373 | 0 | 2,421 | 1,110 | 2,711 | 19 | 4,547 | 3,041 | 4,324 | 2,481 | 4,334 | 4,589 | 1,239 | 3,851 | 3,390 | 250 | 1,446 | 0 | 2,437 | 606 |
| S-43-7 | 2,011 | 3,011 | 3,472 | 2,352 | 3,773 | 273 | 2,638 | 1,729 | 3,846 | 922 | 398 | 426 | 1,640 | 19 | 1,427 | 13 | 1,892 | 31 | 3,721 | 2,265 | 1,568 | 3,723 | 187 | 1,013 |
| S-43-8 | 1,683 | 1,672 | 0 | 2,112 | 2,659 | 4,022 | 3,376 | 2,103 | 3,820 | 3,189 | 3,573 | 1,735 | 2,715 | 1,255 | 3,755 | 3,001 | 3,449 | 1,164 | 2,953 | 3,916 | 2,029 | 3,848 | 3,505 | 3,989 |
| S-43-9 | 4,175 | 0 | 3,350 | 34 | 1,228 | 0 | 727 | 0 | 0 | 0 | 3,191 | 1,903 | 2,805 | 3,203 | 2,297 | 1,716 | 1,746 | 3,131 | 757 | 1,763 | 3,638 | 0 | 3,745 | 2,104 |
| Monthly Total | 16,944 | 13,636 | 15,122 | 13,342 | 16,500 | 13,539 | 14,729 | 11,932 | 16,630 | 7,477 | 15,631 | 7,791 | 15,626 | 9,174 | 16,089 | 9,396 | 15,280 | 8,536 | 16,336 | 17,148 | 15,550 | 16,713 | 16,207 | 16,217 |

Appendix C Draft ERC Certificate

San Joaquin Valley
Air Pollution Control District

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate

S-4212-24

ISSUED TO: AERA ENERGY LLC
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: LOST HILLS GAS PLANT
NE S15, T27S, R21E., M.D.B.& M.
LOST HILLS, CA

For CO2E Reduction In The Amount Of:

12003 metric tons / year

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of engines and oil heater verified as permanent within the State of California

Emission Reduction Qualification Criteria

This emission reduction is surplus and additional to all applicable regulatory requirements.

Seyed Sadredin, Executive Director, APCO

David Warner, Director of Permit Services

Bakersfield Californian

Newspaper notice for publication in Bakersfield Californian and for posting on
valleyair.org

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Aera Energy, LLC for the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs proposed for banking is 12,003 metric tons CO₂e/yr.

The analysis of the regulatory basis for this proposed action, Project #S-1122749, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by April 17, 2014 to **DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**AVISO DE DECISIÓN PRELIMINAR
PARA LA PROPUESTA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Distrito Unificado para el Control de la Contaminación del Aire del Valle de San Joaquín está solicitando comentarios del público para la propuesta emisión de Certificados de Reducción de Emisiones (ERC, por sus siglas en inglés) a Aera Energy, LLC para la clausura de seis motores de gas natural que apoderan compresores, y un calentador de aceite, en the Lost Hills Section 15P Gas Plant near Lost Hills, CA. La cantidad de ERCs propuestas para almacenar es 12,003 toneladas de CO₂e/año.

El análisis de la base regulatoria para esta acción propuesta, Proyecto #S-1122749, está disponible para la inspección pública en http://www.valleyair.org/notices/public_notices_idx.htm y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500. Comentarios por escrito acerca de este propuesto permiso inicial deben de ser sometidos antes del 17 de Abril del 2014 a **DAVID WARNER, DIRECTOR DEL DEPARTAMENTO DE PERMISOS, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

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PROOF OF PUBLICATION

The BAKERSFIELD CALIFORNIAN
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AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF KERN, STATE OF CALIFORNIA, UNDER DATE OF FEBRUARY 5, 1952, CASE NUMBER 57610; THAT THE NOTICE, OF WHICH THE ANNEXED IS A PRINTED COPY, HAS BEEN PUBLISHED IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO WIT: 3/18/14

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I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

B. Montoya

DATED AT BAKERSFIELD CALIFORNIA

3/18/14

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NOTICE OF PRELIMINARY DECISION FOR THE P

Ad Number 13464504

**NOTICE OF
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ISSUANCE OF EMISSION
REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Aera Energy, LLC for the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCS proposed for banking is 12,003 metric tons CO₂e/yr.

The analysis of the regulatory basis for this proposed action, Project #S-1122749, is available for public inspection at http://www.valleyair.org/no/areas/public_notices_idr.html and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by April 17, 2014 to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308

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 AERA ENERGY, LLC
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2. Article Number

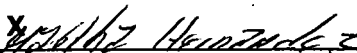
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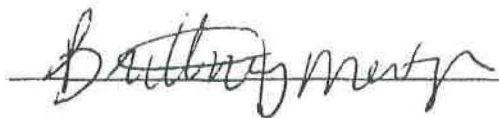
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NOTICE OF FINAL ACTION FOR THE ISSUANCE

Ad Number 13826565

NOTICE OF FINAL ACTION FOR THE ISSUANCE OF EMISSION REDUCTION CREDITS
NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has Issued Emission Reduction Credits (ERCs) to Aera Energy, LLC for emission reduction generated by the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs to be issued is 12,003 metric tons of CO2e/yr.
All comments received following the District's preliminary decision on this project were considered.
The application review for Project #S-1122749 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500, 4/3/15
CNS-2735829#
THE BAKERSFIELD CALIFORNIAN
(13826565)



PUBLIC NOTICE CHECK LIST

PROJECT #: S-43 PROJECT #: S-1122749

REQST. COMPL.

ERC FINAL PUBLIC NOTICE

Newspaper Notice Emailed to Clerical (Check box and tab to generate Notice)

Send email to "OA-PublicNotices" containing the following:

SUBJECT: facility name, facility id#, project #, type of notice (prelim/final)

BODY: project description and why it is being noticed (Emission Reduction Credit Banking)

ENCLOSED DOCUMENTS REQUIRE:

Enter Correct Date, Print All Documents from File and Obtain Director's Signature and District Seal Embossed on ERC Certificates

Email **FINAL** Newspaper Notice for Publication in Bakersfield Californian

Pub Date: 4/3/2015

Mail **FINAL** Notice Letter to Applicant by **Certified Mail** including the following attachments:

Original ERC Certificates

Newspaper Notice

Email **FINAL** Public Notice package to EPA

Email **FINAL** Public Notice package to CARB

Email **FINAL** Newspaper Notice, Aviso en Español and Public Notice package to "~~webmaster~~" webteam@valleyair.org

After posted on website, send email with weblink of Newspaper notice, Aviso en Español, and full public notice package to:

specific [C, S, or N] region and District wide permitting notification list-serves (both English and Spanish list serves)

facility specific distribution list, (AQE – enter email address from PAS facility details notifications tab, if none enter NONE below):

None

Mail the newspaper notice and aviso en español (NN/AE), or full public notice package (FPNP) to the persons on facility specific distribution list, as follows (entered by AQE, if none, enter NONE below):

NN/AE or FPNP Name/address: [names]

NN/AE or FPNP Name/address: [names]

Send **FINAL** Public Notice package to EDMS

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CNS 2735829

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To the right is a copy of the notice you sent to us for publication in the THE BAKERSFIELD CALIFORNIAN. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

04/03/2015

NOTICE OF FINAL ACTION FOR THE ISSUANCE OF EMISSION REDUCTION CREDITS

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Aera Energy, LLC for emission reduction generated by the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs to be issued is 12,003 metric tons of CO₂/yr.

All comments received following the District's preliminary decision on this project were considered.

The application review for Project #8-1122748 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (861) 392-5500.
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* A 0 0 0 0 3 7 1 8 7 2 2 *

Yolanda Alvarez

From: Yolanda Alvarez
Sent: Tuesday, March 31, 2015 2:55 PM
To: Gerardo Rios EPA (SJV_T5_Permits@epa.gov); Mike Tollstrup (mtollstr@arb.ca.gov)
Subject: ERC Final Public Notice for Aera Energy, LLC; Facility: S-43, Project# S-1122749
Attachments: Final S-1122749.pdf; Newspaper.pdf

Importance: High

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Aera Energy, LLC for emission reduction generated by the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs to be issued is 12,003 metric tons of CO₂e/yr.

★ Yolanda R. Alvarez ★

★ Office Assistant II ★

San Joaquin Valley APCD

1990 E. Gettysburg Ave

Fresno, CA 93726

yolanda.alvarez@valleyair.org

Service ★ Teamwork ★ Attitude ★ Respect

Yolanda Alvarez

From: Microsoft Outlook
To: Gerardo Rios EPA (SJV_T5_Permits@epa.gov)
Sent: Tuesday, March 31, 2015 2:55 PM
Subject: Relayed: ERC Final Public Notice for Aera Energy, LLC; Facility: S-43, Project# S-1122749

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Gerardo Rios EPA ([SJV T5 Permits@epa.gov](mailto:SJV_T5_Permits@epa.gov)) ([SJV T5 Permits@epa.gov](mailto:SJV_T5_Permits@epa.gov))
<[mailto:SJV T5 Permits@epa.gov](mailto:SJV_T5_Permits@epa.gov)>

Subject: ERC Final Public Notice for Aera Energy, LLC; Facility: S-43, Project# S-1122749

Yolanda Alvarez

From: Yolanda Alvarez
Sent: Tuesday, March 31, 2015 2:59 PM
To: WebTeam
Subject: valleyair.org update: ERC Final Public Notice for Aera Energy, LLC; Facility: S-43, Project# S-1122749
Attachments: Final S-1122749.pdf; Newspaper.pdf; Aviso.pdf

March 31, 2015 (Facility S-43 Project S-1122749) NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Aera Energy, LLC for emission reduction generated by the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs to be issued is 12,003 metric tons of CO₂e/yr.

Newspaper Notice

Aviso

Public Notice Package

★Yolanda R. Alvarez★

★Office Assistant II★

San Joaquin Valley APCD

1990 E. Gettysburg Ave

Fresno, CA 93726

yolanda.alvarez@valleyair.org

Service★Teamwork★Attitude★Respect

**AVISO DE DECISIÓN FINAL
PARA LA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Oficial para el Control de la Contaminación del Aire a otorgado Certificados de Reducción de Emisiones (ERCs, por sus siglas en inglés) a Aera Energy, LLC por la reducción de emisiones generadas por la clausura de seis motores de gas natural que apoderan compresores, y un calentador de aceite, en the Lost Hills Section 15P Gas Plant near Lost Hills, CA. La cantidad de ERCs que serán otorgados son 12,003 toneladas metricas de CO₂e/año.

Todos los comentarios que se recibieron siguiendo la decisión preliminar en este proyecto fueron considerados.

La revisión de la solicitud del Proyecto #S-1122749 está disponible para la inspección del público en http://www.valleyair.org/notices/public_notices_idx.htm, en el DISTRITO PARA EL CONTROL DE LA CONTAMINACIÓN DEL AIRE DEL VALLE DE SAN JOAQUIN, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500.

**NOTICE OF FINAL ACTION
FOR THE ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Aera Energy, LLC for emission reduction generated by the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs to be issued is 12,003 metric tons of CO₂e/yr.

All comments received following the District's preliminary decision on this project were considered.

The application review for Project #S-1122749 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.

Yolanda Alvarez

From: notices_of_permitting_actions-southern_region@lists.valleyair.org
Sent: Wednesday, April 1, 2015 2:14 PM
To: Yolanda Alvarez
Subject: Public Notice on Permitting Action S-1122749
Attachments: ATT00001.txt

The District has posted a new permitting public notice. The public notice can be viewed on our website at: [http://www.valleyair.org/notices/Docs/2015/03-31-15_\(S-1122749\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2015/03-31-15_(S-1122749)/Newspaper.pdf)

For a list of public notices and public notice packages, please visit our website at: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Thank you,

★Yolanda R. Alvarez★

★Office Assistant II★

San Joaquin Valley APCD

1990 E. Gettysburg Ave

Fresno, CA 93726

yolanda.alvarez@valleyair.org

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Yolanda Alvarez

From: avisos_sobre_acciones_de_permisos-todos@lists02.valleyair.org
Sent: Wednesday, April 1, 2015 2:16 PM
To: Yolanda Alvarez
Subject: Aviso Publico Sobre Acciones de Permisos S-1122749
Attachments: ATT00001.txt

El Distrito del Aire a publicado un nuevo aviso público de permiso. El aviso público se puede ver en nuestro sitio de web en: [http://www.valleyair.org/notices/Docs/2015/03-31-15_\(S-1122749\)/Aviso.pdf](http://www.valleyair.org/notices/Docs/2015/03-31-15_(S-1122749)/Aviso.pdf)

Para obtener una lista de avisos públicos y paquetes de avisos públicos, por favor visite nuestro sitio de web en:
http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Gracias,

★Yolanda R. Alvarez★

★Office Assistant II★

San Joaquin Valley APCD

1990 E. Gettysburg Ave

Fresno, CA 93726

yolanda.alvarez@valleyair.org

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MAR 3 1 2015

Brent Winn
Aera Energy, LLC
PO Box 11164
Bakersfield, CA 93389

RE: Notice of Final Action – Emission Reduction Credits
Facility Number: S-43
Project Number: S-1122749

Dear Mr. Winn:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Aera Energy, LLC for emission reduction generated by the shutdown of six natural gas compressor engines and one oil heater, at the Lost Hills Section 15P Gas Plant near Lost Hills, CA. The quantity of ERCs to be issued is 12,003 metric tons of CO₂e/yr.

Enclosed are copies of the ERC Certificates 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 ERC Certificates was published on 3/18/14. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on 3/13/14. All comments received following the District's preliminary decision on this project were considered. A summary of the comments received and District responses is attached.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura at (661) 392-5500.

Sincerely,

Arnaud Marjollet
Director of Permit Services

AM:SAR/ya
Enclosures

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

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

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



Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate S-4212-24

ISSUED TO: **AERA ENERGY LLC**
ISSUED DATE: **March 24, 2015**
LOCATION OF REDUCTION: **LOST HILLS GAS PLANT
NE S15, T27S, R21E., M.D.B. & M.
LOST HILLS, CA**

For CO₂E Reduction In The Amount Of:

12,003 metric tons / year

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of engines and oil heater verified as permanent within the State of California

Emission Reduction Qualification Criteria

This emission reduction is surplus and additional to all applicable regulatory requirements.

Sayed Sadredin, Executive Director / APCO


Arnaud Marjollet, Director of Permit Services



Mr. Brent Winn
Attachment

The following two comments were received from the Center for Biological Diversity.

Comment 1:

The GHG [greenhouse gas] emission reduction does not meet the fiscal additionality test in the CAPCOA [California Air Pollution Control Officers Association] GHG Rx protocol. Therefore, this emission reduction cannot be listed in the CAPCOA GHG Rx.

District's Response:

The proposed GHG ERC will not be listed in the CAPCOA GHG Rx at this time.

Comment 2:

The GHG ERC application review should not suggest that the banked GHG ERCs could be used as mitigation for CEQA. Banked emission reductions that are the result of a facility shutdown are not allowable for use as mitigation in CEQA.

District's Response:

CEQA guidelines section 15126.4(c)(3) specifically mentions "Off-site measures, including offsets that are not otherwise required, to mitigate a projects emissions" as a feasible means to mitigate GHG emissions. As such, the use of GHG offsets are allowed to be used as mitigation in CEQA. However, please note that the lead agency is ultimately responsible evaluating the project's environmental impacts and for determining the adequacy of all mitigation measures to minimize such impacts.

**San Joaquin Valley Air Pollution Control District
ERC Application Review
Shutdown of Six Engines and One Oil Heater**

Facility Name: Aera Energy, LLC
Mailing Address: PO Box 11164
Bakersfield, CA 93389

Date: February 18, 2014
Engineer: Steve Roeder
Lead Engineer: Allan Phillips

Contact Person: Brent Winn @ (661) 665-4363
Facility ID: S-43
Project #: S-1122749
Submitted: July 16, 2012
Deemed Complete: July 18, 2012

RWK
2-25-14

I. Summary

The primary business of Aera is the production of oil and natural gas.

Aera had previously shut down their Lost Hills Section 15 Gas Plant including 6 compressor engines (S-43-4, -5, -6, -7, -8 and -9) and one oil heater (S-43-15). The permits have been surrendered and the equipment has all been sold and removed.

Aera has banked the criteria emission reductions (NO_x, SO_x, PM₁₀, CO and VOC) from the shutdown of the engines (ERC Project S-1075362) and the oil heater (ERC Project S-1080067) and has proposed to bank the reductions in greenhouse gasses (GHG) from the shutdowns in this project. See the surrendered permits in Appendix A.

The following emission reductions qualify for banking.

| Bankable GHG ERCs (metric tons/year) | |
|--------------------------------------|--------|
| GHG | 12,003 |

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)
Rule 2301 Emission Reduction Credit Banking (1/19/12)

III. Location of Reduction

The engines and oil heater were located at the Lost Hills Section 15 Gas Plant located in NE Section 15, Township 27S, Range 21E in Lost Hills.

IV. Method of Generating Reductions

The method of emission reductions is the permanent shutdown of 6 (three 1,100 hp and three 826 hp) lean burn natural gas-fired IC engines driving Section 15 Gas Plant Compressors (S-43-4 through '9) and one 5 MMBtu/hr natural gas-fired oil heater (S-43-15).

All permits were surrendered on August 27, 2007, the equipment was sold and removed from site, and no other engines or electric motors are being used to compress the gas. According to the applicant, the Lost Hills Section 15 Gas Plant was shut down due to declining gas production in the fields surrounding the plant.

V. Calculations

A. Assumptions

- Units of GHG AER is metric tons of CO₂e per year, rounded to the nearest metric ton
- 1,000 kg = 1 metric ton
- The final CO₂e emission factor from the combustion of natural gas includes GHG emissions of CO₂, CH₄ and N₂O, where the total emission factor includes the summation of each of the compounds multiplied by their Global Warming Potential (GWP)
- The emission factors are from the District's Spreadsheet: ARB GHG Emission Factors
- Monthly fuel use records have been provided by the applicant
- Annual emissions are based on fuel usage and the CO₂e emission factor
- The HHV for the engine gas is taken from a field gas analysis as presented in Project S-1075362 and is 1,106 Btu/scf
- The HHV for the oil heater gas is taken from a field gas analysis as presented in Project S-1080067 and is 1,130 Btu/scf

B. Emission Factors

The CO₂e emission factor is taken from the District's Spreadsheet "ARB – Greenhouse Gas Emission Factors" and is calculated in lb/MMBtu to three significant figures in the following table.

| Natural Gas Emission Factors | | | | | |
|------------------------------|------------|---------------|-------|----------------------|----------|
| Pollutant | kg/MMBtu x | 2.205 lb/kg x | GWP = | CO ₂ e EF | |
| CO ₂ | 52.87 | 2.205 | 1.00 | 116.578 | lb/MMBtu |
| CH ₄ | 0.0009 | 2.205 | 21.00 | 0.0417 | lb/MMBtu |
| N ₂ O | 0.0001 | 2.205 | 310.0 | 0.0684 | lb/MMBtu |
| Total CO ₂ e | | | | 117 | lb/MMBtu |

C. Baseline Period Determination

Pursuant to Rule 2201, the Baseline Period is a period of time equal to either:

*The two consecutive years of operation immediately prior to the submission date of the Complete Application; or
At least two consecutive years within the five years immediately prior to the submission date of the Complete Application if determined by the APCO as more representative of normal source operation.*

The baseline period for the engines and the oil heater have been previously determined by the District during ERC Projects S-1075362 and S-1080067. The same baseline periods will be used for this project as follows.

1. Engines

The time period from 4th Quarter 2002 through 3rd Quarter 2004 was selected as the baseline period for the engines.

2. Oil Heater

The time period from 1st Quarter 2003 through 4th Quarter 2004 (excluding January 2003) was selected as the baseline period.

D. Baseline Data

1. Engine Baseline Data

The baseline fuel-use is taken from the annual fuel-use records that have been supplied by the applicant, as evaluated in ERC projects S-1075362 and S-1080067.

The monthly fuel-use for each engine is combined into total fuel-use for all-engines-combined in Appendix B.

The fuel use is combined into two-year monthly totals, then divided into the single-year monthly average, and finally the grand annual average fuel-use in the following table.

| Monthly Baseline Fuel-Use in 1,000 SCF | | | | | |
|--|--------|--------|--------|---------|----------------|
| Month | 2002 | 2003 | 2004 | Monthly | Monthly |
| Jan | | 16,944 | 13,636 | 30,580 | 15,290 |
| Feb | | 15,122 | 13,342 | 28,464 | 14,232 |
| Mar | | 16,500 | 13,539 | 30,039 | 15,020 |
| Apr | | 14,729 | 11,932 | 26,661 | 13,331 |
| May | | 16,630 | 7,477 | 24,107 | 12,054 |
| Jun | | 15,631 | 7,791 | 23,422 | 11,711 |
| Jul | | 15,626 | 9,174 | 24,800 | 12,400 |
| Aug | | 16,089 | 9,396 | 25,485 | 12,743 |
| Sep | | 15,280 | 8,536 | 23,816 | 11,908 |
| Oct | 16,336 | 17,148 | | 33,484 | 16,742 |
| Nov | 15,550 | 16,713 | | 32,263 | 16,132 |
| Dec | 16,207 | 16,217 | | 32,424 | 16,212 |
| Grand Annual Average Fuel Use | | | | | 167,775 |

2. Oil Heater Baseline Data

The monthly oil heater fuel-use data is taken from project S-1080067 and is combined into an annual average total in the following table.

| Monthly Baseline Fuel-Use in 1,000 SCF | | | | |
|--|-------|-------|---------------|-----------------|
| Month | 2003 | 2004 | Monthly Total | Monthly Average |
| Jan | 3,188 | 3,253 | 6,441 | 3,221 |
| Feb | 2,794 | 3,148 | 5,942 | 2,971 |
| Mar | 3,032 | 3,197 | 6,229 | 3,115 |
| Apr | 2,759 | 3,159 | 5,918 | 2,959 |
| May | 3,136 | 3,115 | 6,251 | 3,126 |
| Jun | 2,742 | 2,614 | 5,356 | 2,678 |
| Jul | 2,651 | 3,000 | 5,651 | 2,826 |
| Aug | 2,756 | 3,124 | 5,880 | 2,940 |
| Sep | 2,615 | 3,083 | 5,698 | 2,849 |
| Oct | 2,725 | 3,188 | 5,913 | 2,957 |
| Nov | 2,833 | 3,420 | 6,253 | 3,127 |
| Dec | 2,971 | 3,371 | 6,342 | 3,171 |
| Grand Annual Average Fuel Use | | | | 35,940 |

E. Historical Actual Emissions (HAE)

1. Engines

The GHG HAE for the engines are determined by multiplying the annual fuel-use by the emission factor presented above, and is expressed in metric tons per year.

$$HAE = \frac{167,775 \text{ Mscf}}{\text{yr}} \times \frac{1,106 \text{ Btu}}{\text{scf}} \times \frac{117 \text{ lb} \cdot \text{CO}_2\text{e}}{\text{MMBtu}} \times \frac{1 \text{ metric ton}}{2,204.6 \text{ lb}} = 9,848 \frac{\text{metric tons}}{\text{year}}$$

2. Oil Heater

$$HAE = \frac{35,940 \text{ Mscf}}{\text{yr}} \times \frac{1,130 \text{ Btu}}{\text{scf}} \times \frac{117 \text{ lb} \cdot \text{CO}_2\text{e}}{\text{MMBtu}} \times \frac{1 \text{ metric ton}}{2,204.6 \text{ lb}} = 2,155 \frac{\text{metric tons}}{\text{year}}$$

3. Total

Total HAE for CO₂e is:

| Total HAE for CO ₂ e (Metric Tons per Year) | |
|---|--------|
| Engines | 9,848 |
| Oil Heater | 2,155 |
| Total | 12,003 |

VI. Compliance

Rule 2201 - New and Modified Stationary Source Review Rule

The applicant has proposed to bank ERCs for GHG. Rule 2201 provides requirements for banking the criteria pollutants, which has already been done in ERC projects S-1075362 and S-1080067. There are no additional applicable requirements from Rule 2201.

Rule 2301 – Emission Reduction Credit Banking

Regarding GHG, the purpose of this Rule is to:

- 1.2.1 Provide an administrative mechanism for sources to bank voluntary greenhouse gas emission reductions for later use.
- 1.2.2 Provide an administrative mechanism for sources to transfer banked greenhouse gas emission reductions to others for any use.
- 1.2.3 Define eligibility standards, quantitative procedures and administrative practices to ensure that banked greenhouse gas emission reductions are real, permanent, quantifiable, surplus, and enforceable.

Section 4.5 specifies eligibility criteria for GHG emission reductions to qualify for banking. Below is a summary of each criteria and a description of how the emission reductions satisfy the criteria.

Section 4.5.1 requires that the emission reduction must have occurred after 1/1/05.

The emission reductions occurred when all permits were surrendered in 2007, the equipment was sold and removed from site, and no other engines or electric motors are being used to compress the gas. Therefore, this criteria has been satisfied.

Section 4.5.2 requires that the emissions must have occurred in the District.

The emissions occurred at the Lost Hills Section 15 Gas Plant located in NE Section 15, Township 27S, Range 21E in Lost Hills. Since this location is within the District, this criteria has been satisfied.

Section 4.5.3 requires that the emission reductions must be real, surplus, permanent, quantifiable, and enforceable.

Real:

The emissions reductions were generated by the shutdown of six engines and one oil heater. The emissions were calculated from actual historic fuel-use data and recognized emission factors and source test data, therefore the emissions were real. The equipment has been removed. Therefore, the emission reductions are real.

Surplus:

Since the GHG emission reductions occurred in 2007, they were not subject to any Cap and Trade regulations on or after January 1, 2012. Therefore, the GHG emission reductions are surplus and satisfy the requirements of Section 4.5.3.1.

There are no laws, rules, regulations, agreements, orders, or permits requiring any GHG emission reductions from cotton gins. Therefore, the emission reductions satisfy the surplus requirement in Section 4.5.3.2.

Since the GHG emission reductions are not the result of an action taken by the permittee to comply with any requirement, the GHG emission reductions are surplus, additional of all requirements, and satisfy the surplus requirement in section 4.5.3.4.

Permanent:

AERA has ceased operation of the 6 IC engines and the hot oil heater and surrendered the permits. The equipment has been dismantled and removed from the facility, and there are no other engines or electric motors connected to compress any remaining gas. Since no emissions have been shifted, the reductions are permanent.

When determining the geographical boundary in which the emission reduction is determined to be permanent the applicant may consider how the GHG ERC may likely be used.

While Rule 2301 allows facilities to receive ERCs for GHG emission reductions, the District does not have any requirements regulating the use of GHG ERCs. However, it is anticipated that the likely uses of such GHG ERCs would be their future retirement as GHG mitigation in the CEQA process.

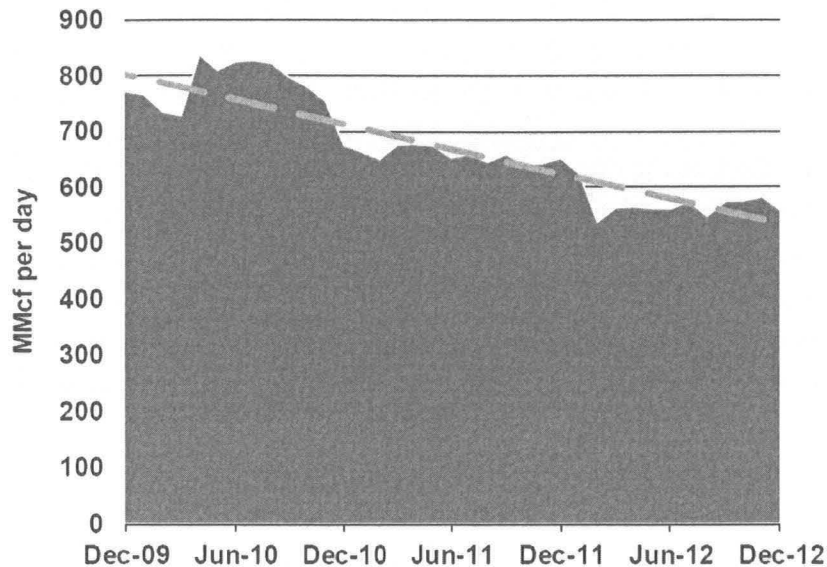
Pursuant to CEQA, lead agencies must consider the environmental impact of GHG emissions from a project and may require that such GHG emissions be mitigated. In evaluating various mitigation techniques, including the retirement of GHG ERCs, the lead agency must determine if the proposed mitigation technique adequately mitigates the projects GHG emission increase.

When a lead agency determines if the retirement of a particular GHG ERC provides adequate GHG mitigation for a project, the lead agency may choose to consider the location where the GHG ERC was generated and the geographical boundary used to determine the permanence of the emission reduction. Thus in making this determination, the lead agency may conclude that the retirement of a particular GHG ERC would provide adequate mitigation for projects within that same geographical boundary. Again, that determination will be made by the lead agency for a particular project.

This applicant has selected the State of California as the geographical boundary for which the emission reduction is permanent. Information has been provided below to validate this geographical boundary selection.

As shown in the following chart from the Division of Oil, Gas and Geothermal Resources (DOGGR), the total natural gas production in the State of California continues to decline. Gas Production has declined from 800,000,000 cubic feet per day in 12/09 to 550,000,000 cubic feet per day in 12/12.

CALIFORNIA GAS PRODUCTION



Sources: EIA / DOGGR / Navigant

Aera had six natural gas compressors serving the Lost Hills Plant, and due to a lack of gas to compress, all of the engines have been shut down and removed, and there are no other engines or electric motors compressing any of the remaining gas. Therefore there is no transfer of emissions to any other sources, and the emission reductions are permanent.

Based on this information, the geographical boundary for which the emission reduction is permanent is the State of California.

The ERC Certificate will include the following identifier:

"Shutdown of engines and oil heater verified as permanent within the State of California"

Quantifiable:

The actual emissions were calculated from historic fuel-use records and accepted emission factors. Therefore, the emission reductions are quantifiable and have been quantified.

Enforceable:

The engines and oil heater have been shut down and the PTOs have been surrendered to the District. Operation of the equipment without a valid permit would subject the permittee to enforcement action. Therefore, the emission reductions are enforceable.

Section 4.5.4 requires that GHG emission reductions be calculated as the difference between the historic annual average GHG emissions (as CO₂e) and the PE2 after the reduction is complete. The historical GHG emissions must be calculated using the consecutive 24 month period immediately prior to the date the emission reductions occurred, or another consecutive 24 month period in the 60 months prior to the date the emission reduction occurred if determined by the APCO as being more representative of normal operations.

The GHG emission reductions were calculated according to the baseline period identified above. Since this is a permanent shutdown of the compressor engines from a depleted natural gas field, with none of the load being shifted to any other compressor engines or electric motors in California, there is no post-project potential to emit GHG.

Section 4.5.5.5 requires that GHG emission reductions proposed to be quantified using CARB-approved emission reduction project protocols shall be calculated in accordance with the applicable protocol.

Since the GHG emission reductions are not subject to an applicable CARB-approved emission reduction project protocol, this section is not applicable.

Section 4.5.6 requires that ERCs shall be made enforceable through permit conditions or legally binding contract.

The compressor engines held a legal District operating permit. That permit has been surrendered to the District. Since the operation of a new engine would require a new Authority to Construct, as discussed above, the emission reduction is enforceable.

Section 5 identifies ERC Certificate application procedures.

Section 5.5.2 requires, for emission reductions occurring prior to 1/19/12, applications for ERCs must be submitted by 7/19/12.

The ERC application was submitted on 7/16/12, therefore the application is timely.

Section 6.15 specifies the registration requirements for GHG ERCs.

This emission reductions are surplus and additional of all requirements pursuant to Section 4.5.3.4. Therefore the ERC certificate shall include the following notation:

“This emission reduction is surplus and additional to all applicable regulatory requirements.”

Compliance with Rule 2301 has been demonstrated and no adjustments are necessary.

VII. Recommendation

Issue the ERC Certificate in the amounts posted in the table below and on the attached Draft ERC Certificate.

| Bankable GHG ERCs (metric tons/year) | |
|--------------------------------------|--------|
| GHG | 12,003 |

List of Appendixes

- A. Surrendered Permits to Operate
- B. Baseline Engine Fuel Use Chart
- C. Draft ERC Certificate

Appendix A Surrendered Permits to Operate

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-4-15

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #1 INCLUDING SUPERIOR NATURAL GAS FIRED IC ENGINE AND SHARING WITH PERMITS S-43-5 AND '6 INLET SEPARATORS (V28/V29), COMPRESSOR (C-2C), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070] Federally Enforceable Through Title V Permit
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080] Federally Enforceable Through Title V Permit
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702] Federally Enforceable Through Title V Permit
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702] Federally Enforceable Through Title V Permit
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702] Federally Enforceable Through Title V Permit
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '-5, '-6, '-7, '-8, and '-9. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403] Federally Enforceable Through Title V Permit
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0] Federally Enforceable Through Title V Permit
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rule 4701 and 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC

Location: LOST HILLS GAS PLANT, NE 15, T.27S, R.21E., M.D.B. & M., LOST HILLS, CA

S-43-4-15: Nov 10 2005 1:56PM - AJYABEU

16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and . District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
26. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rules 406 (Fresno), 404 (Madera), 407 (Kern, Kings, San Joaquin, Stanislaus, Merced, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
27. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rules 402 (Madera) and 404 (Fresno, Merced, Kern, Kings, San Joaquin, Stanislaus, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
28. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

29. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702] 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 4701 and 4702] Federally Enforceable Through Title V Permit
31. 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 15% 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 4701 and 4702] Federally Enforceable Through Title V Permit
32. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702] Federally Enforceable Through Title V Permit
33. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
34. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702] Federally Enforceable Through Title V Permit
35. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)] Federally Enforceable Through Title V Permit
36. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation; type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702] Federally Enforceable Through Title V Permit
37. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403] Federally Enforceable Through Title V Permit
38. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-5-14

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #2 INCLUDING SUPERIOR NATURAL GAS FIRED IC ENGINE AND SHARING WITH PERMITS S-43-4 AND '6 INLET SEPARATORS (V28/V29), COMPRESSOR (C-2B), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule]
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill I treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403]
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rules 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC
Location: LOST HILLS GAS PLANT, NE 15, T.27S, R.21E, M.D.B. & M., LOST HILLS, CA
S-43-5-14 - Jan 31 2007 1:08PM - KEAS/TMD

17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 4801]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2080]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas 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 2080]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2080]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2080]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. 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 4701 and 4702]
29. 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 15% 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 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]
31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
33. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]
34. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)]
35. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403]
36. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2080]

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-6-14

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #3 INCLUDING SUPERIOR NATURAL GAS IC ENGINE AND SHARING WITH PERMIT UNIT S-43-4 AND '5 INLET SCRUBBERS (V28/V29), COMPRESSOR (C-2A), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule]
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403]
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rules 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC
Location: LOST HILLS GAS PLANT, NE 15, T.27S, R.21E., M.D.B. & M., LOST HILLS, CA
S-43-6-14 Jan 31 2007 1:00PM - KEASTMD

17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 4801]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2080]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas 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 2080]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2080]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2080]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. 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 4701 and 4702]
29. 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 15% 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 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]
31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
33. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]
34. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)]
35. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403]
36. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2080]

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-7-11

EXPIRATION DATE: 08/31/2009

SECTION: NE15 **TOWNSHIP:** 27S **RANGE:** 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #4 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED W/ PERMIT UNITS S-43-8 & '9 SUCTION SCRUBBER (V-6), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-1C), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. This engine shall not be operated after June 1, 2007 for any reason without an ATC including the Rule 4702 emissions limits and any necessary retrofits needed to comply with the applicable requirements of District Rule 4702. [District Rule 4702]
8. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '-5, '-6, '-7, '-8, and '-9. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule] Federally Enforceable Through Title V Permit
12. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
13. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0] Federally Enforceable Through Title V Permit
14. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
15. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: AERA ENERGY LLC
Location: LOST HILLS GAS PLANT, NE 15, T.27S, R.21E., M.D.B. & M., LOST HILLS, CA
S-43-7-11 Nov 10 2005 1:57PM - AIYABEU

16. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rule 4701] Federally Enforceable Through Title V Permit
17. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
18. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
19. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule] Federally Enforceable Through Title V Permit
21. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
22. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
23. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
25. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
26. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
27. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rules 406 (Fresno), 404 (Madera), 407 (Kern, Kings, San Joaquin, Stanislaus, Merced, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
28. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rules 402 (Madera) and 404 (Fresno, Merced, Kern, Kings, San Joaquin, Stanislaus, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
29. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
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30. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
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 4701 and 4702]
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 15% 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 4701 and 4702]
33. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702] Federally Enforceable Through Title V Permit
34. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
35. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
36. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-8-11

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #5 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED W/ PERMIT UNITS S-43-7 AND '9 SUCTION SCRUBBER (V-8), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-1B), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '-5, '-6, '-7, '-8, and '-9. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0] Federally Enforceable Through Title V Permit
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
26. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rules 406 (Fresno), 404 (Madera), 407 (Kern, Kings, San Joaquin, Stanislaus, Merced, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
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28. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
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29. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
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 4701 and 4702]
31. 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 15% 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 4701 and 4702]
32. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702] Federally Enforceable Through Title V Permit
33. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
34. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
35. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702] Federally Enforceable Through Title V Permit

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San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-9-11

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #6 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED WITH PERMIT UNITS S-43-7 AND '8 SUCTION SCRUBBER (V-6), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-1A), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '-5, '-6, '-7, '-8, and '-9. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0] Federally Enforceable Through Title V Permit
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
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16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule] Federally Enforceable Through Title V Permit
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21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content, [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
26. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements of SJVUAPCD Rule 4201; Rules 406 (Fresno), 404 (Madera), 407 (Kern, Kings, San Joaquin, Stanislaus, Merced, Tulare). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
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28. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

29. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
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 4701 and 4702]
31. 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 15% 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 4701 and 4702]
32. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702] Federally Enforceable Through Title V Permit
33. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
34. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
35. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702] Federally Enforceable Through Title V Permit

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San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-43-15-8

EXPIRATION DATE: 08/31/2009

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

DORMANT: 5 MMBTU/HR NATURAL GAS-FIRED HOT OIL HEATER

PERMIT UNIT REQUIREMENTS

1. The fuel supply line shall be physically disconnected from this unit. [District Rule 2080] Federally Enforceable Through Title V Permit
2. Operator shall provide written notification to the District 7 days prior to performing dormancy procedures on active systems or sections, and prior to recommencing operation of dormant systems or sections. [District Rule 2080] Federally Enforceable Through Title V Permit
3. Permittee shall not be required to perform source testing, fuel sulfur content certification, monitoring, inspections, or record keeping (except to document non-operation). [District Rule 2080] Federally Enforceable Through Title V Permit
4. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
5. Total sulfur content of natural gas combusted shall not exceed 0.75 grain/100 scf. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Emission rates shall not exceed any of the following: NO_x (as NO₂): 0.10 lb/MMBtu, or CO: 112 ppmvd @ 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Excess combustion air shall be maintained at no less than 10% unless continuous operation analyzer/controller is utilized. [District NSR Rule] Federally Enforceable Through Title V Permit
8. The pressure regulator shall be set such that the heater's natural gas supply is limited to 5.0 MMBtu/hr. [District Rules 2201, 4305, 2.0 and 4306, 2.0] Federally Enforceable Through Title V Permit
9. The pressure regulator's adjusting screw(s) shall be fixed with wire seals. [District Rule] Federally Enforceable Through Title V Permit
10. Heater shall be fired exclusively on natural gas. [District NSR Rule] Federally Enforceable Through Title V Permit
11. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and Kern County Rule 108.1] Federally Enforceable Through Title V Permit
12. Upon recommencing operation, fuel sulfur content and higher heating value shall be certified by a third party fuel supplier or 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 semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2080 and 2520, 9.3.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

13. If the unit is fired on noncertified gaseous fuel and compliance with SO_x 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 4084, D 3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
14. If fuel analysis is used to demonstrate compliance with the conditions of this permit, the fuel higher heating value for each fuel shall be certified by third party fuel supplier or determined by: ASTM D 240 or D 2382 for liquid hydrocarbon fuels; ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
15. 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, 9.3.2] Federally Enforceable Through Title V Permit
16. The operator shall maintain all records of required monitoring data and support information for inspection at any time. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Appendix B Baseline Engine Fuel-Use Chart

The engine fuel-use data is taken from ERC Project S-1075362. The fuel-use for each month for each engine is combined into monthly totals for all-engines-combined in the following table.

| | Jan 03 | Jan 04 | Feb 03 | Feb 04 | Mar 03 | Mar 04 | Apr 03 | Apr 04 | May 03 | May 04 | Jun 03 | Jun 04 | Jul 03 | Jul 04 | Aug 03 | Aug 04 | Sep 03 | Sep 04 | Oct 02 | Oct 03 | Nov 02 | Nov 03 | Dec 02 | Dec 03 |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| S-43-4 | 1,232 | 4,416 | 680 | 4,374 | 4,417 | 4,500 | 1,635 | 3,123 | 2,048 | 1,306 | 690 | 672 | 2,185 | 865 | 2,403 | 0 | 4,041 | 0 | 2,119 | 4,446 | 2,949 | 4,568 | 4,244 | 4,383 |
| S-43-5 | 4,538 | 4,378 | 3,934 | 4,426 | 3,050 | 4,744 | 3,932 | 3,867 | 4,205 | 2,041 | 3,232 | 14 | 2,837 | 1,351 | 1,873 | 77 | 2,913 | 359 | 3,398 | 4,508 | 3,920 | 4,574 | 2,089 | 4,122 |
| S-43-6 | 3,305 | 159 | 3,888 | 45 | 1,373 | 0 | 2,421 | 1,110 | 2,711 | 18 | 4,547 | 3,041 | 4,324 | 2,481 | 4,334 | 4,588 | 1,239 | 3,951 | 3,390 | 250 | 1,448 | 0 | 2,437 | 806 |
| S-43-7 | 2,011 | 3,011 | 3,472 | 2,352 | 3,773 | 273 | 2,638 | 1,729 | 3,848 | 822 | 398 | 426 | 1,840 | 19 | 1,427 | 13 | 1,892 | 31 | 3,721 | 2,265 | 1,568 | 3,723 | 187 | 1,013 |
| S-43-8 | 1,683 | 1,972 | 0 | 2,112 | 2,859 | 4,022 | 3,378 | 2,103 | 3,820 | 3,189 | 3,573 | 1,735 | 2,715 | 1,255 | 3,755 | 3,801 | 3,449 | 1,164 | 2,853 | 3,916 | 2,029 | 3,848 | 3,505 | 3,989 |
| S-43-9 | 4,176 | 0 | 3,360 | 34 | 1,228 | 0 | 727 | 0 | 0 | 0 | 3,181 | 1,803 | 2,905 | 3,203 | 2,287 | 1,716 | 1,748 | 3,131 | 757 | 1,763 | 3,638 | 0 | 3,745 | 2,104 |
| Monthly Total | 16,944 | 13,638 | 15,122 | 13,342 | 16,500 | 13,539 | 14,728 | 11,932 | 16,930 | 7,477 | 15,631 | 7,791 | 15,628 | 9,174 | 18,088 | 8,388 | 15,280 | 8,536 | 16,336 | 17,148 | 15,650 | 18,713 | 16,207 | 16,217 |

Appendix C
Draft ERC Certificate

San Joaquin Valley
Air Pollution Control District

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate

S-4212-24

DRAFT

ISSUED TO: AERA ENERGY LLC
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: LOST HILLS GAS PLANT
NE S15, T27S, R21E., M.D.B. & M.
LOST HILLS, CA

For CO2E Reduction In The Amount Of:

12003 metric tons / year

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of engines and oil heater verified as permanent within the State of California

Emission Reduction Qualification Criteria

This emission reduction is surplus and additional to all applicable regulatory requirements.

Seyed Sadredin, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services

Preliminary Review Checklist

Guiding Principle: The preliminary review is limited to those tasks necessary to assure that the District has obtained all of the necessary information to perform the final evaluation.

| | | | |
|---|---|-------------------------------------|---|
| Facility I.D. Number | S-43 | | |
| Project Number | 1122749 | | |
| Company Name | Aera Energy, LLC | | |
| Location | Lost Hills Section 15 Gas Plant | | |
| Process Engineer | Steve Roeder | | |
| Date | 7/17/12 | | |
| Application Type | Permit Unit Number(s) | | |
| <input checked="" type="checkbox"/> ERC Banking for GHG | S-43-4, -5, -6, -7, -8, -9 and -15 | | |
| <input type="checkbox"/> Modify existing emissions units | | | |
| Project Proposal (complete and concise description) | | | |
| GHG Banking for the shutdown of engines S-43-4 thru -9 and hot oil heater -15. Normal ERCs were banked in projects 1075362 and 1080067. | | | |
| Application Content | | Yes | No |
| 1. | Does the application provide sufficient information to understand the applicant's proposal, the process flow, and the purpose of the project? | <input checked="" type="checkbox"/> | <input type="checkbox"/> Incomplete |
| 2. | Does the application provide sufficient information to determine the permit unit boundaries? | <input checked="" type="checkbox"/> | <input type="checkbox"/> Incomplete |
| 3. | Does the application contain adequate equipment descriptions for all emissions units, including info needed to determine ERCs? | <input checked="" type="checkbox"/> | <input type="checkbox"/> Incomplete |
| Reimbursable Overtime | | Yes | No |
| 68. | Has the applicant requested reimbursable overtime processing? | <input type="checkbox"/> | <input checked="" type="checkbox"/> Skip to 70 |
| Filing Fees | | Yes | No |
| 70. | Have all the filing fees been paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> Incomplete unless RO |
| Completeness Determination | | | |
| If the application is incomplete by any of the questions in this preliminary review form, the missing information must be obtained. If the information is too comprehensive to obtain by phone or email, or if attempts to gather the information have been unsuccessful as of your due-date, then deem the application incomplete and send an incompleteness letter detailing the missing information and/or fees. OTHERWISE, deem the application complete. | | | |
| Comments and References | | | |
| | | | |



April 17, 2014

Via email: Dave.Warner@valleyair.org

David Warner
San Joaquin Valley Air Pollution Control District
1990 E. Gettysburg Ave.
Fresno, CA 93726

**Re: Proposed Issuance of Greenhouse Gas Emission Reduction Credits
Aera Energy, LLC (Facility No. S-43; Project No. S-1122749)**

Dear Mr. Warner:

The Center for Biological Diversity (“Center”) submits the following comments on the proposed issuance of Emission Reduction Credits (“ERCs”) stemming from shutdown of six natural gas compressor engines and one oil heater at the above-referenced facility. For the reasons stated below and in the attached letter to the California Air Pollution Control Officers Association (“CAPCOA”), the proposed ERCs cannot be listed on CAPCOA’s GHG Rx carbon credit exchange pursuant to the “case-by-case” protocol.¹

Like the facilities discussed in the attached letter, Aera Energy shut down operations in 2007 for purely economic reasons having nothing to do with voluntary efforts to reduce greenhouse gas emissions; as the District’s ERC Application Review makes clear, the shutdown was “due to declining gas production in the fields surrounding the plant” resulting in “a lack of gas to compress.”² Accordingly, as detailed in the attached letter, the proposed ERCs do not satisfy the additionality tests set forth in CAPCOA’s “case-by-case” protocol and thus cannot be listed on the GHG Rx exchange.

The Application Review further suggests that ERCs banked pursuant to the application would be suitable for mitigation purposes under the California Environmental

¹ Kevin P. Bundy, Center for Biological Diversity, Letter to Jack Broadbent, CAPCOA, Re: CAPCOA GHG Rx—Listing of Non-Compliant Credits (Feb. 18, 2014) (attached as Ex. A).

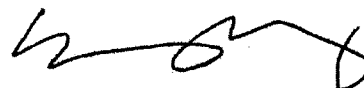
² San Joaquin Valley Air Pollution Control District, ERC Application Review – Shutdown of Six Engines and One Oil Heater 2, 8 (Feb. 18, 2014) (“Application Review”).

Mr. David Warner
Proposed GHG ERCs for Aera Energy, LLC (S-1122749)
April 17, 2014

Quality Act ("CEQA"), Public Resources Code section 21000, et seq.³ This is incorrect as a matter of law. Emissions "reductions" resulting from the past shutdown of facilities for purely economic reasons are unsuitable for use as CEQA mitigation. Again, the six engines and oil heater were shut down in 2007.⁴ Any reductions in emissions associated with this shutdown are therefore part of the "existing conditions" baseline against which any future CEQA project's effects will be measured.⁵ The existing environmental background cannot be considered mitigation for CEQA purposes. CEQA requires actual, effective mitigation of significant environmental impacts. Pub. Res. Code §§ 21002, 21002.1(b), 21081. In order to mitigate new greenhouse gas emissions from a proposed project, therefore, CEQA lead agencies must identify *additional* feasible emissions reductions that would not already have occurred in the absence of the mitigation requirement. A project proponent could not "mitigate" the loss of state park land by simply identifying other state parks already in existence at the time the project was proposed. Nor could a real estate developer "mitigate" the conversion of agricultural land by pointing to pre-existing Williamson Act contracts. Mitigation under CEQA requires concrete, enforceable action to minimize, avoid, or reduce a project's effects. Background actions that would have occurred anyway cannot satisfy this requirement. Accordingly, any ERC issued pursuant to this application should bear a notation that it is not suitable for use as CEQA mitigation.

Thank you for your consideration. Please do not hesitate to contact me with any questions.

Sincerely,



Kevin P. Bundy
Senior Attorney

Encl.

³ Application Review at 7 (anticipating "that the likely uses of such GHG ERCs would be their future retirement as GHG mitigation in the CEQA process").

⁴ Application Review at 2.

⁵ CEQA Guidelines, Cal. Code Regs. title 14, § 15125.



February 18, 2014

Via Hand Delivery

Jack Broadbent
President, CAPCOA
1107 9th Street
Sacramento, CA 95814

Re: CAPCOA GHG Rx—Listing of Non-Compliant Credits

Dear Mr. Broadbent:

On behalf of the Center for Biological Diversity (“Center”), I am writing to alert you to serious concerns regarding greenhouse gas reduction credits listed on the CAPCOA GHG Rx exchange by the San Joaquin Valley Air Pollution Control District (“SJVAPCD”). Specifically, the SJVAPCD has approved and listed hundreds of thousands of greenhouse gas reduction credits under CAPCOA’s case-by-case protocol that clearly violate the protocol’s additionality requirements.¹ These credits cannot lawfully be used in satisfaction of mitigation requirements under the California Environmental Quality Act (“CEQA”). Their presence on the GHG Rx exchange also raises serious questions about CAPCOA’s endorsement of and ability to oversee the quality of credits listed on the exchange.

Put simply, a vast majority of the credits approved by SJVAPCD represent “reductions” related to the shutdown of cotton ginning and sugar beet processing facilities that ceased operations for economic reasons entirely unrelated to incentives created by a market for greenhouse gas offsets. One application alone—from the Spreckels Sugar Company—represents more than 1.3 million emission reduction credits, more than three-quarters of the 1.7 million total credits currently listed on the GHG Rx exchange. The Spreckels application explains that the facility shut down in August of 2008, and sought to claim emissions “reductions” stemming from cessation of operation

¹ As CAPCOA is aware, the Center has other concerns about the integrity of offsets generated under protocols adopted or contemplated for adoption under the GHG Rx exchange. *See, e.g.*, Brian Nowicki, Center for Biological Diversity, letter to Aaron Katzenstein, South Coast Air Quality Management District, Re: CAPCOA GHG Rx Forestry Protocols (January 23, 2014). We are also aware of and generally share the concerns of other environmental organizations regarding the integrity of the case-by-case protocol. The purpose of this letter is solely to alert CAPCOA to the presence of credits on the exchange that plainly fail to meet the requirements of the case-by-case protocol, our overarching concerns notwithstanding.

of a lime kiln and a natural gas fired boiler.² The application sought credit for reductions of 68,861 tons of carbon dioxide equivalent (“CO₂e”) per year over a 20-year period, for a total of 1,397,220 tons.³ The SJVAPCD’s application review document explains, however, that the facility shut down because of dramatic declines in sugar beet production related to economic considerations (including high transportation costs).⁴ Accordingly, the facility shutdown—and the corresponding reduction in emissions from the lime kiln and boiler—were not motivated by, and in fact were completely unrelated to, the potential availability of emission reduction credits. Indeed, the facility shut down a full four years before the credit application was filed.⁵ Numerous similar applications have been approved by SJVAPCD for “reductions” associated with the shutdown of cotton ginning operations for economic reasons unrelated to the availability of emission reduction credits.⁶

These credits plainly fail to satisfy the additionality test set forth in CAPCOA’s case-by-case protocol. As stated in that protocol, the purpose of the GHG Rx exchange is to list “high quality” credits “created when projects or practices are *implemented specifically to reduce GHG emissions* that are not required by law or other mechanisms to reduce emissions, and the resulting reductions are recognized by CAPCOA members.”⁷ The protocol requires applications to demonstrate the additionality of reductions using two tests: a “regulatory surplus” test and a “fiscal” test.⁸ The fiscal test is intended to ensure that “the action that resulted in the emission reduction would not have likely taken

² San Joaquin Valley Air Pollution Control District, Greenhouse Gas Emission Reduction Credit Banking Application Review, Facility No. C-1179 (Dec. 1, 2013) at 1.

³ *Id.* at 2.

⁴ *Id.* at 9-10.

⁵ *Id.* at 1.

⁶ *See, e.g.*, San Joaquin Valley Air Pollution Control District, ERC Application Review — Greenhouse Gases, Cotton Gin Shutdown, Anderson Clayton Corporation (Jan. 30, 2013) at 1, 6-7 (cotton gin shut down in 2007 due to declining need for cotton ginning facilities in light of decline in cotton production).

⁷ CAPCOA GHG Rx Quality Criteria: Protocol for Case by Case GHG Emission Reductions & Criteria for Evaluation of New Protocols (as amended April 24, 2013) (“Case-by-Case Protocol”) at 1 (emphasis added).

⁸ *Id.* at 5-6. CAPCOA should be aware that the SJVAPCD’s greenhouse gas emission reduction credit banking program, embodied in the district’s Rule 2301, requires projects only to meet one of two versions of the “regulatory” test. SJVAPCD Rule 2301 §§ 4.5.3.3, 4.5.3.4. There is no corresponding requirement in Rule 2301 that projects demonstrate additionality using any form of a “fiscal” or performance test. Moreover, Rule 2301 does not require projects to be both surplus and additional in order to satisfy the regulatory test; rather, projects may qualify for emission reduction credits even if the associated reductions were achieved as a result of compliance with other mandatory rules or regulations. *Id.*, § 4.5.3.3. Accordingly, consistency with Rule 2301—the primary criteria for evaluation used by SJVAPCD—*by definition* does not demonstrate compliance with the additionality requirements of CAPCOA’s case-by-case protocol.

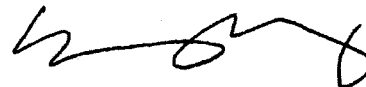
Mr. Jack Broadbent, CAPCOA
GHG Rx—Listing of Non-Compliant Credits
February 18, 2014

place in the absence of a market for the resulting GHG emission reduction credits or in the anticipation of such a future market for such reductions.”⁹ On the face of the application review documents themselves, the Spreckels sugar beet processing and cotton gin shutdown credits approved by SJVAPCD fail to satisfy the additionality requirements of CAPCOA’s case-by-case protocol. These credits should not be listed on the GHG Rx exchange.

The fact that these credits have been listed on the exchange—without any apparent review or oversight by CAPCOA regarding their consistency with the case-by-case protocol—demonstrates a serious weakness in the exchange’s governance structure. CAPCOA should immediately review all applications approved by SJVAPCD for listing on the exchange and should promptly remove any credits—starting with the Spreckels and cotton gin shutdown credits—that do not demonstrate additionality. CAPCOA also should undertake a thorough review of its administrative guidelines and memoranda of understanding with member agencies to ensure adequate oversight and quality control. Finally, public notice and participation—both in review of protocols and in evaluation of specific project applications—is essential to ensure that this program has integrity.

The Center has long appreciated CAPCOA’s leadership on climate change in general, and particularly in developing strategies for evaluating and mitigating greenhouse gas emission impacts under CEQA. We look forward to working with CAPCOA and its member agencies to address this and other concerns related to the integrity of the GHG Rx exchange. Thank you for your consideration of these comments.

Sincerely,



Kevin P. Bundy
Senior Attorney

Cc: Alan Ramo, Golden Gate University School of Law

⁹ *Id.* at 6.

ERC PROJECT ROUTING FORM

FACILITY NAME: Aera Energy LLC

FACILITY ID: S-43 PROJECT NUMBER: S-1122749

PERMIT #'s: S-43-4, -5, -6, -7, -8, -9 and -15

DATE RECEIVED: July 16, 2012

| PRELIMINARY REVIEW | ENGR | DATE | SUPR | DATE |
|----------------------------------|------|---------|------|---------|
| A. Application Deemed Incomplete | | | | |
| Second Information Letter | | | | |
| B. Application Deemed Complete | SR | 7/17/12 | AP | 7-18-12 |
| C. Application Pending Denial | | | | |
| D. Application Denied | | | | |

| ENGINEERING EVALUATION | INITIAL | DATE |
|---|---------|---------|
| E. Engineering Evaluation Complete • Project triggering Federal Major Modification: <input type="checkbox"/> Yes AND Information entered into database (AirNet) <input checked="" type="checkbox"/> No (not Fed MMod) • District is Lead Agency for CEQA purposes AND the project GHG emissions increase exceeds 230 metric tons/year: <input type="checkbox"/> Yes AND Information Entered in database (AirNet) <input checked="" type="checkbox"/> Not Required | SR | 2/18/14 |
| F. Supervising Engineer Approval | RWK | 2/25/14 |
| G. Compliance Division Approval <input checked="" type="checkbox"/> Not Required | SR | 2/18/14 |
| H. Applicant's Review of Draft ERC Completed <input type="checkbox"/> 3-day Review <input type="checkbox"/> 10-day Review <input type="checkbox"/> No Review Requested | | |
| I. Permit Services Regional Manager Approval | CS | 2/27/14 |

| DIRECTOR REVIEW <input type="checkbox"/> Not Required | INITIAL | DATE |
|---|---------|------|
| J. Preliminary Approval to Director | | |
| K. Final Approval to Director | | |



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

JUL 18 2012

Brent Winn
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

Re: Notice of Receipt of Complete Application - Emission Reduction Credits Banking
Project Number: S-1122749

Dear Mr. Winn:

The District has completed a preliminary review of your application for Emission Reduction Credits (ERCs) Banking resulting from green house gas banking for the shutdown of the Lost Hills Gas Plant, located in NE S 15, T 27S, R 21E, in Lost Hills.

Based on this preliminary review, the application appears to be complete. However, during processing of your application, the District may request additional information to clarify, correct, or otherwise supplement, the information on file.

Pursuant to District Rule 3060, your application may be subject to an hourly Engineering Evaluation Fee. If the applicable fees exceed the submitted application filing fee, the District will notify you at the conclusion of our review.

Thank you for your cooperation. Should you have any questions, please contact Mr. Steven A. Roeder at (661) 392-5615.

Sincerely,

David Warner
Director of Permit Services

Leonard Scandura, P.E.
Permit Services Manager

DW: SAR

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
www.valleyair.org

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

AUG 21 2012

Brent Winn
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

Re: **Notice of Request for Additional Information - Emission Reduction Credits Banking**
Project Number: S-1122749

Dear Mr. Winn:

The District is reviewing your application for Emission Reduction Credits (ERCs) Banking resulting from green house gas banking for the shutdown of the Lost Hills Gas Plant, located in NE S. 15, T 27S, R 21E, in Lost Hills.

The following information is required prior to further processing:

Please provide additional information to demonstrate that the GHG emission reductions are permanent, and not replaced by emissions elsewhere. As you may know, the District is interested in working with interested stakeholders to develop applicable policies on the permanence of GHG emission reductions.

Thank you for your cooperation. Should you have any questions, please contact Mr. Steven A. Roeder at (661) 392-5615.

Sincerely,

David Warner
Director of Permit Services



Leonard Scandura, P.E.
Permit Services Manager

DW: SAR



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

AUG 21 2012

Brent Winn
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

Re: Notice of Request for Additional Information - Emission Reduction Credits Banking
Project Number: S-1122749

Dear Mr. Winn:

The District is reviewing your application for Emission Reduction Credits (ERCs) Banking resulting from green house gas banking for the shutdown of the Lost Hills Gas Plant, located in NE S 15, T 27S, R 21E, in Lost Hills.

The following information is required prior to further processing:

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Thank you for your cooperation. Should you have any questions, please contact Mr. Steven A. Roeder at (661) 392-5615.

Sincerely,

David Warner
Director of Permit Services

Leonard Scandura, P.E.
Permit Services Manager

DW: SAR

Seyed Sadredin

Executive Director/Air Pollution Control Officer

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4800 Enterprise Way
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www.valleyair.org

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

Steven Roeder

From: Winn BT (Brent) at Aera <BTWinn@aeraenergy.com>
Sent: Monday, August 27, 2012 4:02 PM
To: Steven Roeder
Cc: Leonard Scandura
Subject: ERC Application for LH Gas Plant GHG Emissions - Request for Addl Info

Steve:

The Lost Hills Gas Plant was completely disassembled and sold to another company. The gas plant compression and heaters were not replaced by any other process at Aera.

OR is this letter suggesting that the GHG credits may not be permanent or surplus if the engines and heaters were started up elsewhere in...

- 1) The SJV ?
- 2) The air basin?
- 3) The state ?
- 4) The nation ?
- 5) The world ?

Steven Roeder

From: Winn BT (Brent) at Aera <BTWinn@aeraenergy.com>
Sent: Friday, January 17, 2014 10:00 AM
To: Steven Roeder
Subject: RE: GHG ERC Banking Project

Steve:

- 1) ALL combustion equipment has been completely removed from the Section 15 Gas Plant site, so the reductions are permanent for the site.
- 2) As I understand it, the removed equipment was sold to Crimson RMC. Crimson's website says "Crimson Resource Management Corp. is a privately-held oil and gas production company based in Denver, Colorado. All of Crimson's oil and gas operations are located in California, primarily in the San Joaquin Basin." Crimson did not transfer the SJVAPCD permits from Aera so they would have to provide emission offsets or emission netting to obtain permits if they re-used the equipment in the San Joaquin Valley or Ventura area. Any offsets/netting provided by Crimson for NOx, VOC, SOx, or PM10 would have included corresponding/collateral reductions for Greenhouse Gases.
- 3) The Section 15 Gas Plant was shut down due to declining gas production in the fields surrounding the plant.

Thank you,

-B. Winn

From: Steven Roeder [<mailto:Steve.Roeder@valleyair.org>]
Sent: Thursday, January 16, 2014 8:29 AM
To: Winn BT (Brent) at Aera
Subject: FW: ERC Banking Project

Hi Brent,

We still need two things to finish processing your ERC application for GHG at S-43.
Regarding the Permanence of the shutdown of the Lost Hills Section 15 Gas Plant:

1. Please declare the geographic boundary of the Permanence of the reduction. For example the facility, or the state of California... along with a reason why you believe those reductions are permanent within that boundary, and
2. Why was the gas plant shut down?

Thank you very much.

Steve Roeder

Engineer - Permit Services Division
San Joaquin Valley Air Pollution Control District
34946 Flyover Court
Bakersfield, CA 93308
(661) 392-5615



July 12, 2012

San Joaquin Valley APCD
34946 Flyover Court
Bakersfield, CA 93308

RECEIVED
JUL 16 2012
SJVAPCD
Southern Region

ATTN: Manager, Permit Services

RE: Request for CO₂E Emission Reduction Credits - Aera Energy LLC (Facility S-43)

The District modified Rule 2301 on January 19, 2012 to allow the issuance of CO₂E Emission Reduction Credits (ERCs) from sources previously shut down. Aera Energy LLC (Aera) is hereby applying for CO₂E Emission Reduction Credits (ERCs) for the shutdown of six (three, 1,100-hp and three, 826-hp) lean burn natural gas-fired IC engines driving Section 15 Gas Plant Compressors (S-43-4 through-9) and one hot oil heater (S-43-15). The Permits to Operate (PTOs) for the IC engines were surrendered August 27, 2007. The application for CO₂E ERCs is considered timely because it is filed within 180 days following amendment of District rule 2301 (section 5.5.2). The shutdown meets the definition contained in Rule 2301 section 3.14.

Attached you will find the following:

- Application for CO₂E Emission Reduction Credit (ATC)
- Check for \$759 filing fee.
- Draft Application Review.
- Spreadsheet showing baseline fuel usage and CO₂E emission reduction calculations.

Thank you for your consideration in this matter. We appreciate your assistance in processing this application in a timely manner. Should you need additional information or have any questions, please contact me at (661) 665-4363.

Sincerely,

Brent Winn
Environmental Engineer
Belridge Producing Complex


San Joaquin Valley Air Pollution Control District

Application for

RECEIVED
JUL 16 2012
 SJVAPCD
 Southern Region

EMISSION REDUCTION CREDIT (ERC)

CONSOLIDATION OF ERC CERTIFICATES

| | | | | | | |
|---|--------|---|----|-------------------------|--|-------|
| 1. ERC TO BE ISSUED TO: Aera Energy LLC | | Facility ID: <u>S - 43</u> (if known) | | | | |
| 2. MAILING ADDRESS: Street/P.O. Box: _____ P.O. Box 11164 | | | | | | |
| City: <u>Bakersfield</u> | | State: <u>CA</u> Zip Code: <u>93389-1164</u> | | | | |
| 3. LOCATION OF REDUCTION: Lost Hills Section 15 Gas Plant Street: _____ City: _____ ____ NE ____/4 SECTION ____15 TOWNSHIP T27S _____ RANGE R21E | | 4. DATE OF REDUCTION: The permits for the IC engines and the hot oil heater were surrendered August 27, 2007. | | | | |
| 5. PERMIT NO(S): S-43-4, S-43-5, S-43-6 S-43-7, S-43-8, S-43-9, S-43-15 | | EXISTING ERC NO(S): _____ | | | | |
| 6. METHOD RESULTING IN EMISSION REDUCTION: <input checked="" type="checkbox"/> SHUTDOWN <input type="checkbox"/> RETROFIT <input type="checkbox"/> PROCESS CHANGE <input type="checkbox"/> OTHER DESCRIPTION: Lost Hills Gas Plant was permanently shut down. Equipment was sold to and removed by Crimson Resources Management. | | | | | | |
| <small>(Use additional sheets if necessary)</small> | | | | | | |
| 7. REQUESTED ERCs: (In pounds per calendar quarter except CO _{2e}) | | | | | | |
| | VOC | NO _x | CO | PM ₁₀ | SO _x | Other |
| 1 st Qtr | | | | | | |
| 2 nd Qtr | | | | | | |
| 3 rd Qtr | | | | | | |
| 4 th Qtr | | | | | | |
| CO _{2e} | 11,083 | metric ton/yr | | | | |
| 8. SIGNATURE OF APPLICANT:  | | TYPE OR PRINT TITLE OF APPLICANT: Environmental Engineer | | | | |
| 9. TYPE OR PRINT NAME OF APPLICANT: Brent Winn | | | | DATE: <u>7/16/12</u> | TELEPHONE NO: (661) 665-4363 | |

FOR APCD USE ONLY:

| | |
|------------|---|
| DATE STAMP | FILING FEE RECEIVED: \$ <u>759.-</u> # <u>1234</u> DATE PAID: <u>pm 7/16/12</u> PROJECT NO.: <u>S-1122749</u> FACILITY ID.: <u>S-43</u> |
|------------|---|

initial ERC

APPLICATION REVIEW EMISSION REDUCTION CREDIT BANKING

Facility Name: Aera Energy LLC
Mailing Address: P.O. Box 11164
Bakersfield, CA 93389

Contact Name: Brent Winn, Environmental Engineer
Telephone: (661) 665-4363

Engineer:
Date:

Lead Engineer:
Date:

Project Number: S-43, xxxxxxx
ERC Certificate #: S-xxxx-X CO₂E

Date Received:
Date Complete:

I. SUMMARY

The District modified Rule 2301 on January 19, 2012 to allow the issuance of CO₂E Emission Reduction Credits (ERCs) from sources previously shut down. Aera Energy LLC (Aera) has applied for CO₂E Emission Reduction Credits (ERCs) for the shutdown of 6 (three 1,100 hp and three 826 hp lean burn natural gas-fired IC engines driving Section 15 Gas Plant Compressors (S-43-4 through-9) and one hot oil heater (S-43-15)). The Permits to Operate (PTOs) for the IC engines were surrendered August 27, 2007. The application for CO₂E ERCs is timely because it was filed within 180 days following amendment of District rule 2301 pursuant to section 5.5.2. The shutdown meets the definition contained in Rule 2301 section 3.14. Reference will be made to and information used from previous District ERC projects 1075362 and 1080067.

The following emission reductions have been found to qualify for banking:

| Bankable Emission Reductions | |
|------------------------------|------------------|
| | Metric Tons/year |
| CO ₂ E | 11,083 |

II. APPLICABLE RULES

Rule 2201 New and Modified Stationary Source Review Rule (April 21, 2011)
Rule 2301 Emission Reduction Credit Banking (January 19, 2012)

III. PROJECT LOCATION

The subject six (6) IC engines and hot oil heater were located at the Lost Hills Section 15 Gas Plant (facility S-43), NE Section 15, T27S, R21E.

IV. METHOD OF GENERATING REDUCTIONS

Aera's sale of the gas plant equipment to Crimson Resource Management was finalized July 19, 2007. The equipment was shutdown and removed from the site. Aera surrendered the permits for the IC engines and the hot oil heater on August 27, 2007. Aera applied for and obtained ERCs for certain criteria pollutants associated with the shutdown of this equipment in 2007.

The surrendered PTOs are included in **Attachment I**.

V. CALCULATIONS

A. Assumptions

- IC Engine CARB default fuel higher heating value = 1027 Btu/scf was used.
- CO₂E HAE is calculated based on the fuel use (mcf) multiplied times the EPA/CARB approved emission factors for CO₂, N₂O and CH₄. (**Attachment II**)
- Fuel Use for IC Engines and Hot Oil Heater - To be consistent, fuel usage totals are taken from the same numbers as used in ERC projects 1075362 and 1080067.
- Calculations use CARB approved formulas and global warming potential factors as appropriate.

B. Emissions Factors

Emissions Factor

CO₂: 53.02 kg CO₂/MMBTU

N₂O: 0.001 kg N₂O/MMBtu

CH₄: 0.001 kg CH₄/MMBtu

40 CFR 98 Subpart C - Table C-1 and C-2 to Subpart C—Default CO₂; Emission Factors and High Heat Values for Various Types of Fuel (**Attachment II**).

Conversion factors between GHGs and CO2E

CO₂: GWP = 1

N₂O: GWP = 310

CH₄: GWP = 21

District rule 2301 section 3.7 Table 1.

C. Baseline Period Determination and Data

District Rule 2301, Section 4.5.4 states that "Greenhouse gas emission reductions are calculated as the difference between the historic annual average greenhouse gas emissions (as CO2E) calculated using the consecutive 24 month period immediately prior to the date the emission reduction occurred, or another consecutive 24 month period in the 60 months prior to the date the emission reduction occurred if determined by the APCO as being more representative of normal operations, and the potential greenhouse gas emissions (as CO2E) after the project is complete, except as provided in section 4.5.5."

The ERC application was deemed complete on XXXX X, 2012. The two-year period immediately prior to shutdown (December 2005 - December 2007) was not considered representative of normal operation. In 2004 produced gas from Aera and Chevron was diverted from the gas plant and operations were severely curtailed. After 2004, engines S-43-4 through -9 were either not operating or were consuming much less than normal quantities of gas. See District ERC projects 1075362 and 1080067.

As explained in District project 1075362, the time period from 4th Quarter 2002 through 3rd Quarter 2004 was selected as the baseline period for the six (6) IC engines.

As explained in District project 1080067, the time period from 1st Quarter (Feb and Mar) 2003 through January 2005 was selected for the hot oil heater.

The IC engine compressors were shutdown before the hot oil heater. The demand for the compressor engines was significantly reduced in May 2004 when Aera stopped processing their Lost Hills produced gas in the plant. However, Chevron continued to send their Lost Hills gas for processing - until January 2005. The hot oil heater provided heat for the plant processes (for such things as glycol reboiler) and therefore it had to remain in operation until January 2005 when Chevron stopped sending gas to the plant.

D. Historical Actual Emissions

Annual Fuel Use for IC Engines

Annual fuel use for the IC engine is calculated as the average annual amount of fuel consumed during the 4th Quarter 2002 through 3rd Quarter 2003 and 4th Quarter 2003 through 3rd Quarter 2004.

Annual Fuel Use for Hot Oil Heater

Annual fuel use for the hot oil heater is calculated as the average annual amount of fuel consumed during the 1st Quarter (Feb and Mar) 2003 through January 2005.

Calculation of HAE for IC Engines and Hot Oil Heaters (sample)

HAE is the product of average annual fuel use for the IC engines and hot oil heaters (mcf) times the high heat value (ARB default) times the emission factor in kg /MMBTU. The result is converted to metric tons and multiplied by each compound GWP to obtain CO₂E. This calculation is repeated for CO₂, N₂O and CH₄. The three results are added together to obtain a total CO₂E in metric tons per year.

$$\text{HAE (CO}_2\text{E)} = \text{Fuel MCF/year} \times 1027 \text{ BTU/CF} \times \text{EF kg/MMBTU} \times 0.001 \text{ metric ton/kg} \times \text{GWP}$$

The calculation of HAE for the IC engines and the hot oil heater is summarized in the table below.

Detailed calculations are presented in **Attachment IV**.

Average Annual HAE

| Pollutant | Metric ton/yr |
|-------------------|---------------|
| CO ₂ E | 11,083 |

E. Actual Emission Reductions (AER)

Aera has applied for greenhouse gas (CO₂) ERC banking credits for the permanent cessation of six (6) IC engines (S-43-4 through -9) and one hot oil heater (S-43-15). The engines and the hot oil heater were removed from the site and not replaced. Therefore, the HAE is equal to the actual emissions reductions (AER).

AER = HAE

| AER | Metric ton/yr |
|-------------------|---------------|
| CO ₂ E | 11,083 |

F. Air Quality Improvement Deduction (10% of AER)

The air quality improvement deduction (AQID) is not required for calculation of CO₂E emission reduction credits.

G. Increases in Permitted Emissions (IPE)

No IPE is associated with this project.

H. Bankable Emissions Reductions Credits (AER — AQID)

| ERC | Metric ton/yr |
|-----------------|---------------|
| CO ₂ | 11,083 |

VI. COMPLIANCE

To be eligible for banking, the greenhouse gas emission reductions must meet the criteria as outlined in District Rule 2301 section 4.5.

4.5.1 The greenhouse gas emission reduction must have actually occurred on or after January 1, 2005, except as allowed in specific CARB approved GHG emission reduction project protocols.

This is not a CARB approved GHG emission reduction project protocol. Aera ceased operation of the 6 IC engines and the hot oil heater. The engines were dismantled and removed from facility S-43. Aera's sale of the equipment to Crimson Resource Management was finalized July 19, 2007. The shutdown (reduction) occurred in 2007 (after January 1, 2005) and the permits to operate (PTOs) were surrendered on August 27, 2007.

4.5.2 The greenhouse gas emission reductions must have occurred within the San Joaquin Valley Unified Air Pollution Control District.

The subject 6 IC engines and the hot oil heater were located at the Lost Hills Section 15 Gas Plant (facility S-43), NE Section 15, T27S, R21E which is located within the San Joaquin Valley Air Pollution Control District.

4.5.3 The greenhouse gas emission reductions are real, surplus, permanent, quantifiable, and enforceable, except as provided in Section 4.5.5.

Since this is not a CARB approved GHG emission reduction project protocol, section 4.5.5 does not apply,

- **Real**-Aera ceased operation of the 6 subject IC engines and the hot oil heater. They have been dismantled and removed from the site. Permits to Operate (PTOs) were surrendered August 27, 2007. Therefore, the reductions from S-43 are real.
- **Surplus** - The greenhouse gas emissions are the result of a shutdown.

4.5.3.1 Greenhouse gas emission reductions that occur at a facility subject to the

CARB greenhouse gas cap and trade regulation on or after January 1, 2012 are not surplus.

The shutdown (reduction) occurred in 2007 (after January 1, 2005) and the permits to operate (PTOs) were surrendered on August 27, 2007. Aera (S-43) was not subject to greenhouse gas cap and trade regulations on or after January 1, 2012. Therefore, these emissions are surplus.

4.5.3.2 Greenhouse gas emission reductions that occur as a result of law, rule, or regulation that required the greenhouse gas emission reduction are not surplus.

These emission reductions are the result of a facility shutdown and reductions are not the result of a of law, rule, or regulation that required the greenhouse gas emission reduction. Therefore, these emissions are surplus.

4.5.3.3 Greenhouse gas emission reductions that occur due to an action taken by an facility that is not the result of any greenhouse gas emission reduction requirement are surplus and additional of all greenhouse gas reduction requirements. Such emission reduction credit certificates shall be identified as specified in Section 6.15.2.

These emission reductions are the result of a facility shutdown and are not the result of any greenhouse gas reduction requirement. Therefore, the ERC certificate shall include the following shall include the following notation:

"This emission reduction is surplus and additional to all applicable greenhouse emission reduction regulatory requirements."

4.5.3.4 Greenhouse gas emission reductions that occur due to an action taken by a facility that is not the result of any requirement, including any requirement that is not intended to control greenhouse gases, are surplus and additional of all requirements. Such emission reduction credit certificates shall be identified as specified in Section 6.15.3.

These emission reductions are the result of a facility shutdown and not the result of any requirement that is intended to control greenhouse gases. Therefore, the ERC certificate shall include the following shall include the following notation:

"This emission reduction is surplus and additional to all applicable regulatory requirements."

As described above, these greenhouse gas emission reductions are surplus.

- **Permanent** - Aera has ceased operation of the 6 IC engines and the hot oil heater. The equipment has been dismantled and removed from facility S-43. Aera's sale of the equipment to Crimson Resource Management was finalized July 19, 2007. Crimson Resource Management will not be allowed to operate the engines at any location without

first receiving Authorities to Construct subject to the offset requirements of District Rule 2201 New Source Review. The permits for the IC engines and the hot oil heater were surrendered August 27, 2007. Therefore, the reductions are permanent.

- **Quantifiable** - The AERs were calculated using District recognized emission factors and actual historical fuel use data. Therefore, the reductions are quantifiable.
- **Enforceable** - The permits for the IC engines and the hot oil heater were surrendered August 27, 2007. Therefore, the reductions are enforceable.

VII. RECOMMENDATION

After public notice, comments and review, issue ERC Banking Certificate S-xxxx-X to Aera Energy LLC for the following amounts:

| ERC Certificate | Metric Tons/Year |
|-----------------------------|------------------|
| S-xxxx- x CO ₂ E | 11,083 |

The draft ERC certificates are included in **Attachment IV**.

ATTACHMENT I

Surrendered PTOs

CONDITIONS FOR PERMIT S-43-4-15

Page 1 of 3

INSPECTION

EXPIRATION DATE: 08/31/2009

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
 BAKERSFIELD, CA 93389

LOCATION: LOST HILLS GAS PLANT
 NE 15, T.27S, R.21E., M.D.B.& M.
 LOST HILLS, CA

WORKSHEET

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #1 INCLUDING SUPERIOR NATURAL GAS FIRED IC ENGINE AND SHARING WITH PERMITS S-43-5 AND '6 INLET SEPARATORS (V28/V29), COMPRESSOR (C-2C), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

CONDITIONS

1. [118] No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule]
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403]
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rule 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]

CONDITIONS FOR PERMIT S-43-4-15

Page 2 of 3

INSPECTION
WORKSHEET

18. District-witnessed source testing for NOx and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 1070]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 1070]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 1071]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 1070]
26. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. If either the NOx or CO concentrations corrected to 15% O2, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. 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 4701 and 4702]
29. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 15% 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 4701 and 4702]
30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]

CONDITIONS FOR PERMIT S-43-4-15

Page 3 of 3

- INSPECTION WORKSHEET**
31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
 32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
 33. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)]
 34. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]
 35. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403]
 36. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 1070]

CONDITIONS FOR PERMIT S-43-5-14

INSPECTION

Page 1 of 3

EXPIRATION DATE: 08/31/2009

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
 MAILING ADDRESS: PO BOX 11164
 BAKERSFIELD, CA 93389

LOCATION: LOST HILLS GAS PLANT
 NE 15, T.27S, R.21E., M.D.B.& M.
 LOST HILLS, CA

WORKSHEET

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #2 INCLUDING SUPERIOR NATURAL GAS FIRED IC ENGINE AND SHARING WITH PERMITS S-43-4 AND '8 INLET SEPARATORS (V28/V29), COMPRESSOR (C-2B), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

CONDITIONS

1. {118} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '-5, '-6, '-7, '-8, and '-9. [District NSR Rule]
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill I treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403]
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rules 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]

CONDITIONS FOR PERMIT S-43-5-14

Page 2 of 3

INSPECTION
WORKSHEET

18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 4801]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2080]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas 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 2080]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2080]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2080]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. {2993} If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. {2994} 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 4701 and 4702]
29. {2995} 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 15% 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 4701 and 4702]
30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]

CONDITIONS FOR PERMIT S-43-5-14

Page 3 of 3

INSPECTION**WORK STOPPED**

31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
33. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]
34. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)]
35. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403]
36. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2080]

CONDITIONS FOR PERMIT S-43-6-14

Page 1 of 3

INSPECTION

EXPIRATION DATE: 08/31/2009

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
 MAILING ADDRESS: PO BOX 11164
 BAKERSFIELD, CA 93389

LOCATION: LOST HILLS GAS PLANT
 NE 15, T.27S, R.21E., M.D.B.& M.
 LOST HILLS, CA

WORKSHEET

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

1,100 BHP PRECOMPRESSION OPERATION #3 INCLUDING SUPERIOR NATURAL GAS IC ENGINE AND SHARING WITH PERMIT UNIT S-43-4 AND -5 INLET SCRUBBERS (V28/V29), COMPRESSOR (C-2A), AIR COOLER (AC-6A), SCRUBBER (V-30A) AND MISCELLANEOUS VALVES AND FLANGES

CONDITIONS

1. (118) No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, -5, -6, -7, -8, and -9. [District NSR Rule]
8. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
9. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill I treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
10. Distance piece vents shall be inspected and any packing leaks repaired in accordance with Rules 4403, as applicable. [District Rule 4403]
11. Pre-compressors with packing leaks shall be shut down within 72 hours and packing leaks repaired prior to re-starting. [District Rule 2201]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 53.5 lb/day. [District Rules 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]


CONDITIONS FOR PERMIT S-43-6-14

Page 2 of 3

INSPECTION WORKSHEET

18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 4801]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 2080]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas 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 2080]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2080]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2080]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. {2993} If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. {2994} 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 4701 and 4702]
29. {2995} 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 15% 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 4701 and 4702]
30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]

CONDITIONS FOR PERMIT S-43-6-14

Page 3 of 3

- INSPECTION**
- APCO**
31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
33. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]
34. All compressors associated with this permit unit shall be reciprocating compressors in wet gas service only. In wet gas service means that a piece of equipment contains or contacts the field gas before the extraction step in the process. [40 CFR 60.482-3(b), 60.633(f), 60.482-3(a), and 60.632(f)]
35. Records shall be kept of leaks from distance piece vents and compliance with required repair timelines pursuant to Rules 4403, as applicable. [District Rule 4403]
36. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 2080]

CONDITIONS FOR PERMIT S-43-7-11

Page 1 of 3

INSPECTION

EXPIRATION DATE: 08/31/2009

WORKSHEET

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
 BAKERSFIELD, CA 93389

LOCATION: LOST HILLS GAS PLANT
 NE 15, T.27S, R.21E, M.D.B.& M.
 LOST HILLS, CA

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #4 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED W/
 PERMIT UNITS S-43-8 & '9 SUCTION SCRUBBER (V-6), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-
 1C), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

CONDITIONS

1. {118} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. This engine shall not be operated after June 1, 2007 for any reason without an ATC including the Rule 4702 emissions limits and any necessary retrofits needed to comply with the applicable requirements of District Rule 4702. [District Rule 4702]
8. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '5, '6, '7, '8, and '9. [District NSR Rule]
9. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule]
10. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
11. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill 1 treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
12. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 1070]
13. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
14. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
15. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
16. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rule 4701]
17. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]

CONDITIONS FOR PERMIT S-43-7-11

Page 2 of 3

INSPECTION WORKSHEET

18. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]
19. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
20. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
21. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)]
22. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)]
23. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 1070]
24. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 1070]
25. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 1070]
26. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 1070]
27. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
28. {2993} If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
29. {2994} 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 4701 and 4702]
30. {2995} 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 15% 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 4701 and 4702]

CONDITIONS FOR PERMIT S-43-7-11

Page 3 of 3

- 31. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]**
- 32. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]**
- 33. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]**
- 34. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]**

**INSPECTION
WORKSHEET**

CONDITIONS FOR PERMIT S-43-8-11

Page 1 of 3

INSPECTION

EXPIRATION DATE: 08/31/2009

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
 BAKERSFIELD, CA 93389

LOCATION: LOST HILLS GAS PLANT
 NE 15, T.27S, R.21E, M.D.B. & M.
 LOST HILLS, CA

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #5 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED W/ PERMIT UNITS S-43-7 AND '9 SUCTION SCRUBBER (V-6), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-1B), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

CONDITIONS

1. {118} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, '-5, '-6, '-7, '-8, and '-9. [District NSR Rule]
8. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule]
9. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
10. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill I treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
11. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 1070, 9.5.2]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rules 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]

CONDITIONS FOR PERMIT S-43-8-11

Page 2 of 3

**INSPECTION
WORKSHEET**

18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 1070]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 1070]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 1070]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 1070]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. {2993} If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. {2994} 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 4701 and 4702]
29. {2995} 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 15% 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 4701 and 4702]
30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]

CONDITIONS FOR PERMIT S-43-8-11

Page 3 of 3

- INSPECTION**
WORKSHEET
31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
 32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
 33. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]

CONDITIONS FOR PERMIT S-43-9-11

Page 1 of 3

INSPECTION

EXPIRATION DATE: 08/31/2009

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
 MAILING ADDRESS: PO BOX 11164

BAKERSFIELD, CA 93369

LOCATION:

LOST HILLS GAS PLANT
 NE 15, T.27S, R.21E, M.D.B. & M.
 LOST HILLS, CA

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:

825 BHP REFRIGERATION COMPRESSION UNIT #6 INCLUDING NATURAL GAS FIRED IC ENGINE AND SHARED WITH PERMIT UNITS S-43-7 AND -8 SUCTION SCRUBBER (V-6), ECONOMIZER (V-7), SURGE TANK (V-9), COMPRESSOR (C-1A), OIL TRAP (V-10) & CONDENSERS (AC-1A, AC-1B, AC-1C)

CONDITIONS

1. {118} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Upon 7 days written notice to the District this engine may be designated as a dormant emission unit or an active emission unit. [District Rule 1070]
3. When designated as a dormant emissions unit fuel supply line shall be physically disconnected from the emission unit. [District Rule 2080]
4. Source testing is required within 60 days of recommencing operation if a source test has not been performed within the past 24 months. [District Rules 2201, 4701, and 4702]
5. During non operation of this unit the permittee shall not be required to perform source testing, fuel sulfur content certification, and monitoring requirements. [District Rules 2201, 4701, and 4702]
6. Permittee shall maintain accurate records of the time and duration of non operation of this unit. [District Rules 2201, 4701, and 4702]
7. Operation shall include lube oil head tank (V-26) and I.C. engine fuel scrubber (V-4) shared between permit unit #'s S-43-4, -5, -6, -7, -8, and -9. [District NSR Rule]
8. Compressor distance piece shall be vented to the vapor recovery system listed on PTO# S-43-3. [District NSR Rule]
9. Fuel gas sulfur content shall not exceed 0.3 gr/dscf as H₂S. [District NSR Rule]
10. Condensate from compressor scrubbers and inlet separators shall be piped to low-pressure condensate vessel of permit S-43-1 or to any tank at the Lost Hill I treating facility served by vapor collection and control system S-1548-120. [District NSR Rule]
11. Records of inspections, repairs and maintenance of fugitive VOC sources shall be kept and made readily available for District inspection. [District Rule 1070]
12. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081. (Source Sampling). [District Rule 1081, 3.0]
13. PM-10 emission rate shall not exceed 0.10 lb/hr. [District NSR Rule]
14. SO₂ emission rate shall not exceed 0.01 lb/hr. [District NSR Rule]
15. Oxides of nitrogen (as NO₂) emission rate shall not exceed 65 ppmv @ 15% O₂ and 40.2 lb/day. [District Rules 4701 and 4702]
16. Volatile organic compounds (VOC's) emission rate shall not exceed 304 ppmv @ 15% O₂ and 87.1 lb/day. [District NSR Rule]
17. Carbon monoxide (CO) emission rate shall not exceed 463 ppmv @ 15% O₂ and 232.6 lb/day. [District NSR Rule]

CONDITIONS FOR PERMIT S-43-9-11

Page 2 of 3

INSPECTION
WORKSHEET

18. District-witnessed source testing for NO_x and CO emission rates shall be conducted using CARB Method 100, and District-witnessed source testing for VOC emission rates shall be conducted using EPA Method 25 or EPA Method 18, referenced as methane, not less than once every 24 months. [District NSR Rule]
19. Documentation of fuel gas sulfur content shall be submitted to District with source test results. [District NSR Rule]
20. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv on a dry basis averaged over 15 consecutive minutes. [Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)]
21. Particulate emissions shall not exceed at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)]
22. If the IC engine is fired on certified natural gas, then maintain on file copies of all natural gas bills or suppliers certification of sulfur content. [District Rule 1070]
23. If the engine is not fired on certified natural gas, then the sulfur content of the gas shall be determined using ASTM D 1072-80, D 3031-81, D 4084-82, D 3246-81 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 1070]
24. If the engine is not fired on certified natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 1070]
25. The operator of an internal combustion (IC) engine shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 1070]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
27. {2993} If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, 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 4701 and 4702]
28. {2994} 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 4701 and 4702]
29. {2995} 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 15% 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 4701 and 4702]
30. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use an alternate device, method, or technique in determining monthly fuel consumption provided that the alternative is approved by the APCO. [District Rule 4702]

CONDITIONS FOR PERMIT S-43-9-11

Page 3 of 3

- INSPECTION**
PROHIBITED
31. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]
 32. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
 33. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 4702]

CONDITIONS FOR PERMIT S-43-15-8

Page 1 of 1

INSPECTION

EXPIRATION DATE: 08/31/2009

WORKSHEET

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
 MAILING ADDRESS: PO BOX 11164
 BAKERSFIELD, CA 93389

LOCATION: LOST HILLS GAS PLANT
 NE 15, T.27S, R.21E., M.D.B.& M.
 LOST HILLS, CA

SECTION: NE15 TOWNSHIP: 27S RANGE: 21E

EQUIPMENT DESCRIPTION:
 DORMANT: 5 MMBTU/HR NATURAL GAS-FIRED HOT OIL HEATER

CONDITIONS

1. The fuel supply line shall be physically disconnected from this unit. [District Rule 2080]
2. Operator shall provide written notification to the District 7 days prior to performing dormancy procedures on active systems or sections, and prior to recommencing operation of dormant systems or sections. [District Rule 2080]
3. Permittee shall not be required to perform source testing, fuel sulfur content certification, monitoring, inspections, or record keeping (except to document non-operation). [District Rule 2080]
4. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated as CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3]
5. Total sulfur content of natural gas combusted shall not exceed 0.75 grains/dscf. [District NSR Rule]
6. Emission rates shall not exceed any of the following: NO_x (as NO₂): 100 ppb MMBtu, or CO: 112 ppmvd @ 3% O₂. [District Rule 2201]
7. Excess combustion air shall be maintained at no less than 10% unless a continuous operation analyzer/controller is utilized. [District NSR Rule]
8. The pressure regulator shall be set such that the heater's natural gas supply is limited to 5.0 MMBtu/hr. [District Rules 2201, 4305, 2.0 and 4306, 2.0]
9. The pressure regulator's adjusting screw(s) shall be fixed with wire screws. [District NSR Rule]
10. Heater shall be fired exclusively on natural gas. [District NSR Rule]
11. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and Kern County Code 8.1]
12. Upon recommencing operation, fuel sulfur content and higher heating value shall be certified by a third party fuel supplier or 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 three consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual sulfur content source test fails to show compliance, weekly testing shall resume. [District Rule 2080]

ATTACHMENT II

40 CFR 98 Subpart C - Tables C-1 and C-2

40 CFR Table C-1 To Subpart C--Default CO₂ Emission Factors And High Heat Values For Various Types Of Fuel

TABLE C-1 TO SUBPART C--DEFAULT CO₂ EMISSION FACTORS AND HIGH HEAT VALUES FOR VARIOUS TYPES OF FUEL

| Fuel type | Default high heat value | Default CO ₂ emission factor |
|--------------------------------------|--------------------------|---|
| Coal and coke | | |
| | mmBtu/short ton | kg CO ₂ /mmBtu |
| Anthracite..... | 25.09 | 103.54 |
| Bituminous..... | 24.93 | 93.40 |
| Subbituminous..... | 17.25 | 97.02 |
| Lignite..... | 14.21 | 96.36 |
| Coke..... | 24.80 | 102.04 |
| Mixed (Commercial sector)..... | 21.39 | 95.26 |
| Mixed (Industrial coking)..... | 26.28 | 93.65 |
| Mixed (Industrial sector)..... | 22.35 | 93.91 |
| Mixed (Electric Power sector)..... | 19.73 | 94.38 |
| Natural gas | | |
| | mmBtu/scf | kg CO ₂ /mmBtu |
| (Weighted U.S. Average)..... | 1.028 x 10 ⁻³ | 53.02 |
| Petroleum products | | |
| | mmBtu/gallon | kg CO ₂ /mmBtu |
| Distillate Fuel Oil No. 1..... | 0.139 | 73.25 |
| Distillate Fuel Oil No. 2..... | 0.138 | 73.96 |
| Distillate Fuel Oil No. 4..... | 0.146 | 75.04 |
| Residual Fuel Oil No. 5..... | 0.140 | 72.93 |
| Residual Fuel Oil No. 6..... | 0.150 | 75.10 |
| Used Oil..... | 0.135 | 74.00 |
| Kerosene..... | 0.135 | 75.20 |
| Liquefied petroleum gases (LPG)..... | 0.092 | 62.98 |
| Propane..... | 0.091 | 61.46 |
| Propylene..... | 0.091 | 65.95 |
| Ethane..... | 0.069 | 62.64 |
| Ethanol..... | 0.084 | 68.44 |
| Ethylene..... | 0.100 | 67.43 |
| Isobutane..... | 0.097 | 64.91 |
| Isobutylene..... | 0.103 | 67.74 |
| Butane..... | 0.101 | 65.15 |
| Butylene..... | 0.103 | 67.73 |
| Naphtha ((401 deg F)..... | 0.125 | 68.02 |
| Natural Gasoline..... | 0.110 | 66.83 |
| Other Oil (>401 deg F)..... | 0.139 | 76.22 |
| Pentanes Plus..... | 0.110 | 70.02 |
| Petrochemical Feedstocks..... | 0.129 | 70.97 |
| Petroleum Coke..... | 0.143 | 102.41 |
| Special Naphtha..... | 0.125 | 72.34 |

| | | |
|--------------------------------|--------------------------|---------------------------|
| Unfinished Oils..... | 0.139 | 74.49 |
| Heavy Gas Oils..... | 0.148 | 74.92 |
| Lubricants..... | 0.144 | 74.27 |
| Motor Gasoline..... | 0.125 | 70.22 |
| Aviation Gasoline..... | 0.120 | 69.25 |
| Kerosene-Type Jet Fuel..... | 0.135 | 72.22 |
| Asphalt and Road Oil..... | 0.158 | 75.36 |
| Crude Oil..... | 0.138 | 74.49 |
| ----- | | |
| Other fuels (solid)..... | mmBtu/short ton | kg CO ₂ /mmBtu |
| Municipal Solid Waste..... | 9.951 | 90.7 |
| Tires..... | 26.87 | 85.97 |
| Plastics..... | 38.00 | 75.00 |
| Petroleum Coke..... | 30.00 | 102.41 |
| Other fuels (gaseous)..... | mmBtu/scf | kg CO ₂ /mmBtu |
| ----- | | |
| Blast Furnace Gas..... | 0.092 x 10 ⁻³ | 274.32 |
| Coke Oven Gas..... | 0.599 x 10 ⁻³ | 46.85 |
| Propane Gas..... | 2.516 x 10 ⁻³ | 61.46 |
| Fuel Gas2..... | 1.388 x 10 ⁻³ | 59.00 |
| ----- | | |
| Biomass fuels--solid | mmBtu/short ton | kg CO ₂ /mmBtu |
| ----- | | |
| Wood and Wood Residuals..... | 15.38 | 93.80 |
| Agricultural Byproducts..... | 8.25 | 118.17 |
| Peat..... | 8.00 | 111.84 |
| Solid Byproducts..... | 25.83 | 105.51 |
| ----- | | |
| Biomass fuels--gaseous | mmBtu/scf | kg CO ₂ /mmBtu |
| ----- | | |
| Biogas (Captured methane)..... | 0.841 x 10 ⁻³ | 52.07 |
| ----- | | |
| Biomass Fuels-Liquid | mmBtu/gallon | kg CO ₂ /mmBtu |
| ----- | | |
| Ethanol..... | 0.084 | 68.44 |
| Biodiesel..... | 0.128 | 73.84 |
| Rendered Animal Fat..... | 0.125 | 71.06 |
| Vegetable Oil..... | 0.120 | 81.55 |
| ----- | | |

1 Use of this default HHV is allowed only for: (a) Units that combust MSW, do not generate steam, and are allowed to use Tier 1; (b) units that derive no more than 10 percent of their annual heat input from MSW and/or tires; and (c) small batch incinerators that combust no more than 1,000 tons of MSW per year.

2 Reporters subject to subpart X of this part that are complying with §98.243(d) or subpart Y of this part may only use the default HHV and the default CO0732 emission factor for fuel gas combustion under the conditions prescribed in §98.243(d)(2)(i) and (d)(2)(ii) and §98.252(a)(1) and (a)(2), respectively. Otherwise, reporters subject to subpart X or subpart Y shall use either Tier 3 (Equation C-5) or Tier 4.



Federal Register Amendments

74 FR 56260 - Oct. 30, 2009; 75 FR 79092 - Dec. 17, 2010

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40 CFR Table C-2 to Subpart C--Default CH₄ And N₂O Emission Factors For Various Types Of Fuel

TABLE C-2 TO SUBPART C--DEFAULT CH₄ AND N₂O EMISSION FACTORS FOR VARIOUS TYPES OF FUEL

| Fuel type | Default CH ₄ emission factor (kg CH ₄ /mmBtu) | Default N ₂ O emission factor (kg N ₂ O/mmBtu) |
|--|---|--|
| Coal and Coke (All fuel types in <u>Table C-1</u>). | 1.1 x 10 ⁻⁰² | 1.6 x 10 ⁻⁰³ |
| Natural Gas..... | 1.0 x 10 ⁻⁰³ | 1.0 x 10 ⁻⁰⁴ |
| Petroleum (All fuel types in <u>Table C-1</u>). | 3.0 x 10 ⁻⁰³ | 6.0 x 10 ⁻⁰⁴ |
| Municipal Solid Waste..... | 3.2 x 10 ⁻⁰² | 4.2 x 10 ⁻⁰³ |
| Tires..... | 3.2 x 10 ⁻⁰² | 4.2 x 10 ⁻⁰³ |
| Blast Furnace Gas..... | 2.2 x 10 ⁻⁰⁵ | 1.0 x 10 ⁻⁰⁴ |
| Coke Oven Gas..... | 4.8 x 10 ⁻⁰⁴ | 1.0 x 10 ⁻⁰⁴ |
| Biomass Fuels--Solid (All fuel types in <u>Table C-1</u>). | 3.2 x 10 ⁻⁰² | 4.2 x 10 ⁻⁰³ |
| Biogas..... | 3.2 x 10 ⁻⁰³ | 6.3 x 10 ⁻⁰⁴ |
| Biomass Fuels--Liquid (All fuel types in <u>Table C-1</u>). | 1.1 x 10 ⁻⁰³ | 1.1 x 10 ⁻⁰⁴ |

Note: Those employing this table are assumed to fall under the IPCC definitions of the "Energy Industry" or "Manufacturing Industries and Construction". In all fuels except for coal the values for these two categories are identical. For coal combustion, those who fall within the IPCC "Energy Industry" category may employ a value of 1g of CH₄/ mmBtu.

Federal Register Amendments
74 FR 56260 - Oct. 30, 2009; 75 FR 79092 - Dec. 17, 2010

ATTACHMENT III

Calculations

| Annual CO ₂ Emissions | | | | | |
|----------------------------------|----------------------------|----------|---------------|---|----------------------|
| Emission Factor ² | | | | CO ₂ Equivalent Calculations | |
| 53.02 | kg CO ₂ /MM BTU | | | 1.0 | GWP |
| 1.11E+07 | kg/yr | 1.11E+04 | Metric Ton/yr | 11,072 | MT CO ₂ e |

| Annual N ₂ O Emissions | | | | | |
|-----------------------------------|---------------------------|----------|---------------|-----|----------------------|
| Emission Factor ³ | | | | | |
| 0.0001 | kg N ₂ O/MMBtu | | | 310 | GWP |
| 2.09E+01 | kg/yr | 2.09E-02 | Metric Ton/yr | 6.5 | MT CO ₂ e |

| Annual CH ₄ Emissions | | | | | |
|----------------------------------|---------------------------|----------|---------------|-----|----------------------|
| Emission Factor ³ | | | | | |
| 0.001 | kg CH ₄ /MMBtu | | | 21 | GWP |
| 2.09E+02 | kg/yr | 2.09E-01 | Metric Ton/yr | 4.4 | MT CO ₂ e |

NOTES

2. 40 CFR 98 Subpart C - Table C-1 to Subpart C—Default CO₂; Emission Factors and High Heat Values for Various Types of Fuel

3. 40 CFR 98 Subpart C - Table C-2 to Subpart C—Default CH₄; and N₂O Emission Factors for Various Types of Fuel

4. No AQIP for greenhouse CO₂e gas calculations

| | HAE = AER | CO ₂ e Metric Ton/yr |
|---------------------------|---------------|--------------------------------------|
| N ₂ O | 6 | CO ₂ e Metric Ton/yr |
| CH ₄ | 4 | CO ₂ e Metric Ton/yr |
| CO ₂ | 11,072 | CO ₂ e Metric Ton/yr |
| Totals | 11,083 | CO ₂ e Metric Ton/yr |
| Totals⁴ | 11,083 | CO₂e Metric Ton/yr |

Aera Energy LLC
CO₂ HAE Emission Calculations

| Fuel Usage | | | | | | | | | | | | | | |
|----------------------|--------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-----------------|--------------------|-----------------|-----------------|
| | 2002 | 2003 | | | | 2004 | | | | 2005 | Total 2 years | | Annual Average | |
| | Units in MCF | | | | | | | | | | Units | | | |
| Quarterly fuel usage | 4Q | 1Q ¹ | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | Jan | MMCF | MMBTU ³ | MCF | MMBTU |
| S-43-4 | 9.31 | 6.33 | 4.37 | 8.55 | 13.40 | 13.29 | 5.10 | 0.86 | - | - | 6.12E+01 | 6.29E+04 | 3.06E+01 | 3.14E+04 |
| S-43-5 | 9.41 | 11.52 | 11.37 | 6.82 | 13.20 | 13.55 | 5.92 | 1.79 | - | - | 7.36E+01 | 7.56E+04 | 3.68E+01 | 3.78E+04 |
| S-43-6 | 7.27 | 8.36 | 9.68 | 9.90 | 0.86 | 0.20 | 4.17 | 10.92 | - | - | 5.14E+01 | 5.28E+04 | 2.57E+01 | 2.64E+04 |
| S-43-7 | 5.48 | 9.26 | 6.88 | 4.96 | 7.00 | 5.64 | 3.08 | 0.06 | - | - | 4.24E+01 | 4.35E+04 | 2.12E+01 | 2.17E+04 |
| S-43-8 | 8.49 | 4.34 | 10.77 | 9.92 | 11.75 | 7.81 | 7.03 | 5.42 | - | - | 6.55E+01 | 6.73E+04 | 3.28E+01 | 3.36E+04 |
| S-43-9 | 8.14 | 8.75 | 3.92 | 6.85 | 3.87 | 0.03 | 1.90 | 8.05 | - | - | 4.15E+01 | 4.26E+04 | 2.08E+01 | 2.13E+04 |
| S-43-15 | - | 5.83 | 8.64 | 8.02 | 8.53 | 9.60 | 8.89 | 9.21 | 9.98 | 2.44 | 7.11E+01 | 7.30E+04 | 3.56E+01 | 3.65E+04 |
| Totals | 48.09 | 54.39 | 55.63 | 55.02 | 58.61 | 50.11 | 36.09 | 36.31 | 9.98 | 2.44 | 4.07E+02 | 4.18E+05 | 2.03E+02 | 2.09E+05 |

NOTES

- | |
|--|
| 1. S-43-15 2003 Q1 is for February and March only |
| 3. Used 1027 Btu/scf (CARB default) higher heating value |

ATTACHMENT IV

Draft ERC Certificates