

COPY



**AIR POLLUTION  
CONTROL DISTRICT**  
COUNTY OF SAN LUIS OBISPO

**AUTHORITY TO CONSTRUCT**

**AN AUTHORITY TO CONSTRUCT IS GRANTED AS OF:** August 20, 2008

**TO:** E&B Natural Resource Management Corporation  
**Legal Owner** P.O. Box 179  
**or Operator** New Cuyama, CA 93254

**FOR:** For the installation of a new gas injection compressor. Upon completion, this permitted operation will consist of: An oil and gas production and processing facility with the following equipment:

- a. One (1) Universal Gas Compressor powered by an electric motor.
- b. One produced gas gathering/vapor recovery system serving twenty-two field gas fired internal combustion engines, each rated less than 50 hp, driving oil well pumps.

**Location:** Russell Ranch Unit Oilfield, New Cuyama

**Conditions:**

1. This equipment shall be installed, operated, and maintained in accordance with the manufacturer's recommendations and the information presented in the application under which this permit was granted unless otherwise noted below.
2. Emission Reduction Credits (ERCs) for 0.288 tons per year shall be provided from a certified inter-District transfer with Santa Barbara Air Pollution Control District or from other APCO approved ERCs within six (6) months of issuance of this authorization.
3. An up to dated Inspection and Maintenance Plan, reflecting the installation of the new compressor and associated piping, test requirements, and equipment locations, in accordance with provisions of Section D, of District Rule 417 "Control of Fugitive Emissions of Volatile Organic Compounds", shall be submitted for District review within sixty (60) days of the installation of the compressor.
4. The manufactures nameplate rating of the individual field gas fired internal combustion engines shall not exceed fifty (50) horsepower. The combined rating of all twenty-two (22) engines shall not exceed five hundred and twenty-five (525) horsepower.
5. The gas gathering system shall be maintained and operated at all times. There shall be no "gas stacking" or venting of field gas directly to the atmosphere from tanks, wells, engines, or the gas gathering system.
6. Visible emissions shall not exceed Ringelmann Number 1 or twenty (20%) opacity for periods aggregating more than three (3) minutes in any hour.
7. The sulfur content of the field gas shall not exceed 796 parts per million by volume calculated as hydrogen sulfide.

**CONDITIONS (continued):**

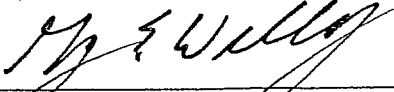
8. The Inspection and Maintenance Plan shall be updated annually, and submitted to the Air Pollution Control Officer for approval prior to February 1st of each year if changes to the lease equipment occur within the previous calendar year. The revised plan shall be implemented for all produced gas-containing lines, and associated equipment, in accordance with provisions of Section D, of District Rule 417. The District shall be notified in writing prior to February 1st of each year if no changes to the plan are to be submitted.
9. If the Air Pollution Control Officer (APCO) determines that the installation of this equipment is causing a public nuisance, the operator/owner shall take immediate action and permanently eliminate the nuisance.
10. The APCO shall be notified in writing before any changes are made to operating procedures, equipment, or materials used which have the potential to increase the emission of any air contaminant.
11. All information needed to estimate air pollution emissions shall be provided to the District upon request, including:
  - a. An up-to-date list of the make, model, and size of engines operating at the facility, and
  - b. A monthly log of hours of operation of all engines. Information may also consist of, but is not limited to: throughput data, process variables, device characteristics, and pollutant release characteristics.
12. This equipment shall be operated in compliance with all District Rules and Regulations.
13. The Air Pollution Control Officer (APCO) shall be notified in writing no later than three (3) business days prior to initial operation of this equipment. This Authority to Construct shall then serve as a temporary Permit to Operate for a period not to exceed six (6) months from the start-up date.

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*This Authority to Construct is not a Permit to Operate. Approval or denial of the application for Permit to Operate the above equipment will be made after an inspection to determine if the equipment has been constructed in accordance with the approved plans and specifications and if the equipment can be operated in compliance with all Rules and Regulations of the San Luis Obispo County Air Pollution Control District.*

*Please notify **Brian Aunger** at (805) 781-5912 or at the letterhead address when construction of equipment is complete. This Authority to Construct will expire one (1) year from the date shown, if unused.*

**LARRY R. ALLEN**  
Air Pollution Control Officer



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**GARY E. WILLEY**  
Manager, Engineering Division

## Brian P. Shafritz

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**From:** gwilley\_apcd@co.slo.ca.us  
**Sent:** Thursday, April 30, 2009 11:07 AM  
**To:** Brian P. Shafritz  
**Subject:** Re: EB ERC Transfer Board letter 4-30.doc  
**Attachments:** EB ERC Transfer Board letter 4-30.doc

Brian,

We have review the attached draft Board letter and agree with it findings.

Specifically,

The San Luis Obispo APCD has evaluated the proposed Santa Barbara County based emission reduction credits to the same extent and manner as those reductions which originate within the San Luis Obispo County APCD. We have determined that the impact of using these emission reduction credits should be insignificant. In addition, our Authority to Construct includes an option to use Santa Barbara County generated ERCs if approved by both District Boards.

Gary E. Willey  
Manager, Engineering Division  
San Luis Obispo County, APCD  
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San Luis Obispo, CA 93401  
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fax (805) 781-1002  
[www.slocleanair.org](http://www.slocleanair.org)

"Brian P.  
Shafritz"  
<ShafritzB@sbcapc  
d.org>

04/30/2009 10:27  
AM

"[gwilley\\_apcd@co.slo.ca.us](mailto:gwilley_apcd@co.slo.ca.us)"  
<[gwilley\\_apcd@co.slo.ca.us](mailto:gwilley_apcd@co.slo.ca.us)>

To

cc

Subject

EB ERC Transfer Board letter  
4-30.doc

Gary,