STATE OF MISSISSIPPI
AIR POLLUTION CONTROL PERMIT

TO CONSTRUCT AIR EMISSIONS EQUIPMENT

THIS CERTIFIES THAT

Chevron Products Company, Pascagoula Refinery
250 Industrial Road
Pascagoula, Mississippi
Jackson County

"ISO II Unit 2006 Reliability Improvements"

has been granted permission to construct air emissions equipment to comply with the emission limitations, monitoring requirements and other conditions set forth herein. This permit is issued in accordance with the provisions of the Mississippi Air and Water Pollution Control Law (Section 49-17-1 et. seq., Mississippi Code of 1972), and the regulations and standards adopted and promulgated thereunder.

MISSISSIPPI ENVIRONMENTAL QUALITY PERMIT BOARD

AUTHORIZED SIGNATURE
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Issued: MAR 2 9 2006

Permit No.: 1280-00058

2299 PER20060001

Part I.
GENERAL CONDITIONS

1. Any activities not identified in the application are not authorized by this permit.

2. All air pollution control facilities shall be designed and constructed such as to allow proper operation and maintenance of the facilities.

3. The necessary facilities shall be constructed so that solids removed in the course of control of air emissions may be disposed of in a manner such as to prevent the solids from becoming windborne and to prevent the materials from entering State waters without the proper environmental permits.

4. The air pollution control facilities shall be constructed such that diversion from or bypass of collection and control facilities is not needed except as provided for in Regulation APC-S-1, "Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants", Section 10.

5. The construction of facilities shall be performed in such a manner as to reduce both point source and fugitive dust emissions to a minimum.

6. The permittee shall allow the Mississippi Department of Environmental Quality Office of Pollution Control and the Mississippi Environmental Quality Permit Board and/or their representatives upon presentation of credentials:

   a. To enter upon the permittee's premises where an air emission source is located or in which any records are required to be kept under the terms and conditions of this permit; and

   b. At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit; to inspect any monitoring equipment or monitoring method required in this permit; and to sample any air emissions.

7. After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked in whole or in part during its term for cause including, but not limited to:

   a. Violation of any terms or conditions of this permit.

   b. Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts, or

   c. A change in any condition that requires either a temporary or permanent reduction or elimination of authorized air emissions.

8. Except for data determined to be confidential under the Mississippi Air & Water Pollution Control Law, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Mississippi Department of Environmental Quality Office of Pollution Control.

9. The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State or local laws or regulations.

10. Nothing herein contained shall be construed as releasing the permittee from any liability for damage to persons or property by reason of the installation, maintenance, or operation of the air cleaning facility, or from compliance with the applicable statutes of the State, or with local laws, regulations, or ordinances.

11. This permit may only be transferred upon approval of the Mississippi Environmental Quality Permit Board.

12. This permit is for air pollution control purposes only.

13. Approval to construct will expire should construction not begin within eighteen (18) months of the issuance of this permit, or should construction be suspended for eighteen (18) months.

14. Within fifteen (15) days of beginning actual construction, the permittee must notify DEQ in writing that construction has begun.

15. The permittee must notify DEQ in writing when construction does not begin within eighteen (18) months of issuance or if construction is suspended for eighteen (18) months or more.

16. Prior to startup of new or modified air emissions equipment at this source, the permittee must submit certification that construction was completed in accordance with the approved plans and specifications.

17. After certification of construction by the permittee, the Permit to Construct shall be deemed to satisfy the requirement for a permit to operate until the date the application for issuance or modification of the Title V Permit is due.

18. The application for issuance or modification of the Title V Permit is due twelve (12) months after beginning operation or such earlier date or time as specified in the Permit to Construct. The Permit Board may specify an earlier date or time for submittal of the application. Beginning operation will be assumed to occur upon certification of construction, unless the permittee specifies differently in writing.

19. Upon submittal of a timely and complete application for issuance or modification of a Title V Permit, the applicant may continue to operate under the terms and

conditions of the Permit to Construct and in compliance with the submitted application until the Permit Board issues, modifies, or denies the Permit to Operate.

Part II.
EMISSION LIMITATIONS AND MONITORING REQUIREMENTS

Beginning upon permit issuance, the permittee is authorized to construct air emissions equipment for the emission of air contaminants from the ISO II Unit, Emission Point AA-221, the 55 MMBtu/hr 1st stage feed furnace (Reference No. F-6210).

The air emissions equipment shall be constructed to comply with the emission limitations and monitoring requirements specified below.

EMISSION LIMITATIONS

Sulfur Dioxide	3.38 lbs/hr and 8.53 tons/year, as determined by EPA Test Method 6, 40 CFR Part 60, Appendix A.
Sulfuric Acid	0.05 lbs/hr and 0.13 tons/year, as determined by EPA Test Method 8, 40 CFR Part 60, Appendix A, or an approved alternative
Opacity	40% as determined by EPA Test Method 9, 40 CFR Part 60, Appendix A

All test methods specified above shall be those versions, or their approved equivalents, which are in effect upon permit issuance.

FUEL RESTRICTIONS

Fuels other than natural gas and refinery fuel gas (RFG) are prohibited.

NSPS J STANDARDS FOR SULFUR OXIDES

The permittee shall not burn in any fuel gas combustion device listed above any fuel gas containing hydrogen sulfide (H_2S) in excess of 230 mg/dscm (0.10 gr/dscf), based on a 3-hour rolling average. (Ref.: §60.104(a)(1))

MONITORING, RECORDKEEPING, AND REPORTING REQUIREMENTS

See Part III, Conditions 1 through 4.

Part II
EMISSION LIMITATIONS AND MONITORING REQUIREMENTS

Beginning upon permit issuance, the permittee is authorized to construct air emissions equipment for the emission of air contaminants from the ISO II Unit, Emission Point AA-222, the 55 MMBtu/hr 2nd stage feed furnace (Reference No. F-6230).

The air emissions equipment shall be constructed to comply with the emission limitations and monitoring requirements specified below.

EMISSION LIMITATIONS

Sulfur Dioxide	3.38 lbs/hr and 8.53 tons/year, as determined by EPA Test Method 6, 40 CFR Part 60, Appendix A.
Sulfuric Acid	0.05 lbs/hr and 0.13 tons/year, as determined by EPA Test Method 8, 40 CFR Part 60, Appendix A, or an approved alternative
Opacity	40% as determined by EPA Test Method 9, 40 CFR Part 60, Appendix A

All test methods specified above shall be those versions, or their approved equivalents, which are in effect upon permit issuance.

FUEL RESTRICTIONS

Fuels other than natural gas and refinery fuel gas (RFG) are prohibited.

NSPS J STANDARDS FOR SULFUR OXIDES

The permittee shall not burn in any fuel gas combustion device listed above any fuel gas containing hydrogen sulfide (H_2S) in excess of 230 mg/dscm (0.10 gr/dscf), based on a 3-hour rolling average. (Ref.: §60.104(a)(1))

MONITORING, RECORDKEEPING, AND REPORTING REQUIREMENTS

See Part III, Conditions 1 through 4.

Part II
EMISSION LIMITATIONS AND MONITORING REQUIREMENTS

Beginning upon permit issuance, the permittee is authorized to construct air emissions equipment for the emission of air contaminants from the ISO II Unit, Emission Point AA-223, the 265 MMBtu/hr topping column process heater (Reference No. F-6250) equipped with an ultra-low-NO_x burners to reduce emissions of nitrogen oxides.

The air emissions equipment shall be constructed to comply with the emission limitations and monitoring requirements specified below.

EMISSION LIMITATIONS

Particulate Matter	2.98 lbs/hr and 8.71 tons/year, as determined by EPA Test Methods 1-5, 40 CFR Part 60, Appendix A.
PM_{10}	2.98 lbs/hr and 8.71 tons/year, as determined by EPA Test Method 201 or 201A, in conjunction with Test Method 202, 40 CFR Part 51, Appendix M.
Sulfur Dioxide	16.30 lbs/hr and 41.09 tons/year, as determined by EPA Test Method 6, 40 CFR Part 60, Appendix A.
Nitrogen Oxides	7.95 lbs/hr and 23.21 tons/year, as determined by EPA Test Method 7, 40 CFR Part 60, Appendix A.
Carbon Monoxide	71.75 lbs/hr and 78.12 tons/year, as determined by EPA Test Method 10, 40 CFR Part 60, Appendix A.
Sulfuric Acid	0.25 lbs/hr and 0.64 tons/year, as determined by EPA Test Method 8, 40 CFR Part 60, Appendix A, or an approved alternative
Opacity	20% (6-minute average), except for one 6-minute period per hour of not more than 27%, as determined by EPA Test Method 9, 40 CFR Part 60, Appendix A

All test methods specified above shall be those versions, or their approved equivalents, which are in effect upon permit issuance.

FUEL RESTRICTIONS

Fuels other than natural gas and refinery fuel gas (RFG) are prohibited.

NSPS J STANDARDS FOR SULFUR OXIDES

The permittee shall not burn in any fuel gas combustion device listed above any fuel gas containing hydrogen sulfide (H_2S) in excess of 230 mg/dscm (0.10 gr/dscf), based on a 3-hour rolling average. (Ref.: §60.104(a)(1))

TEST METHODS AND PROCEDURES

The permittee shall demonstrate compliance with the emission limitations and standards by continuing to perform biennial stack testing, as specified in the "Clean Fuels Project" PSD Construction Permit issued June 12, 2001, and last modified on October 11, 2005, for the following pollutants:

Particulate Matter	EPA Test Methods 1-5 (40 CFR Part 60, Appendix A)
Sulfur Dioxide	EPA Test Method 6 (40 CFR Part 60, Appendix A)
Nitrogen Oxides	EPA Test Method 7 (40 CFR Part 60, Appendix A)
Carbon Monoxide	EPA Test Method 10 (40 CFR Part 60, Appendix A)
Opacity	EPA Test Method 9 (40 CFR Part 60, Appendix A)

For the purpose of demonstrating compliance, the permittee shall operate the emission unit as close to its maximum rated capacity as operating conditions allow. For the purpose of demonstrating compliance with the opacity limit, the permittee shall conduct the opacity observations concurrently with the performance test(s).

The permittee shall submit a test protocol at least thirty (30) days prior to the scheduled test date to ensure that all test methods and procedures are acceptable to the DEQ. If the initial test protocol is acceptable, subsequent test protocols may be waived if these protocols contain no significant changes. However, for any testing involving an alternative to the EPA reference test method, the permittee shall submit a stack test protocol and conduct a pretest conference at least thirty (30) days prior to the scheduled test date.

The DEQ must be notified at least ten (10) days prior to the scheduled test date so that an observer may be scheduled to witness the test(s).

MONITORING REQUIREMENTS

For Emission Point AA-223, the permittee shall conduct visible emissions observations on a daily basis and whenever there is a public complaint of visible emissions. Testing shall be conducted during daylight hours and during conditions representative of normal operation using the observation procedures set forth in EPA Test Method 22 (40 CFR Part 60, Appendix A). Observations shall be recorded for at least three 6-minute periods each day. If any visible emissions (not including condensed water vapor) are observed, the permittee shall report the visible emissions as a potential deviation and the permittee shall take the following actions:

1. Within one (1) hour, initiate corrective actions to eliminate the visible emissions. Verify that the air emissions equipment and/or any associated pollution control equipment is operating normally, in accordance with design and standard procedures and under the same conditions in which compliance was achieved in the past.

2. Within twenty-four (24) hours of the end of the observation period during which visible emissions were observed and at least once per day until there is no indication of visible emissions, a certified visible emissions observer shall conduct an opacity test of each stack from which visible emissions were observed, in accordance with EPA Test Method 9 (40 CFR Part 60, Appendix A). The duration of the Method 9 test shall be three consecutive 6-minute periods. An opacity exceeding the standard for any 6-minute period shall be considered a deviation.

See Part III, Condition 3 for additional monitoring requirements.

RECORDKEEPING AND REPORTING REQUIREMENTS

For Emission Point AA-223, the permittee shall maintain records and submit semiannual reports on the following information:

1. Results of all required visible emissions observations, including any Method 9 test results.

2. A description of the corrective action(s) taken and a statement verifying that the emission unit and associated pollution control device (if applicable) are operating in accordance with design and standard procedures and are otherwise operating normally.

3. The date and time any visible emissions were observed and abated.

See Part III, Conditions 1, 2, and 4 for additional recordkeeping and reporting requirements.

Part II
EMISSION LIMITATIONS AND MONITORING REQUIREMENTS

Beginning upon permit issuance, the permittee is authorized to construct air emissions equipment for the emission of air contaminants from the ISO II Unit, Emission Point AA-224, the 110 MMBtu/hr Isosplitter process heater (Reference No. F-6260).

The air emissions equipment shall be constructed to comply with the emission limitations and monitoring requirements specified below.

EMISSION LIMITATIONS

Sulfur Dioxide	6.77 lbs/hr and 17.06 tons/year, as determined by EPA Test Method 6, 40 CFR Part 60, Appendix A.
Sulfuric Acid	0.10 lbs/hr and 0.26 tons/year, as determined by EPA Test Method 8, 40 CFR Part 60, Appendix A, or an approved alternative
Opacity	40% as determined by EPA Test Method 9, 40 CFR Part 60, Appendix A

All test methods specified above shall be those versions, or their approved equivalents, which are in effect upon permit issuance.

FUEL RESTRICTIONS

Fuels other than natural gas and refinery fuel gas (RFG) are prohibited.

NSPS J STANDARDS FOR SULFUR OXIDES

The permittee shall not burn in any fuel gas combustion device listed above any fuel gas containing hydrogen sulfide (H_2S) in excess of 230 mg/dscm (0.10 gr/dscf), based on a 3-hour rolling average. (Ref.: §60.104(a)(1))

MONITORING, RECORDKEEPING, AND REPORTING REQUIREMENTS

See Part III, Conditions 1 through 4.

Part III
OTHER REQUIREMENTS

Records:

(1) The permittee shall maintain on-site records of all required monitoring data and support information required by this permit for a period of at least five (5) years from the date of the monitoring sample, measurement, report, or application. These records shall be made available for review upon request from DEQ personnel.

Reporting Deviations:

(2) The permittee shall report any deviations from the permit requirements, including deviations attributable to upsets, within two (2) working days of such deviation. The report shall also include the cause of the deviation(s) and any corrective action(s) or preventive measure(s) taken. A copy of the report shall be maintained in accordance with Part III, Condition 1.

NSPS J Requirements:

(3) The permittee shall install, calibrate, maintain, and operate an instrument for continuously monitoring and recording the concentration (dry basis) of H_2S in fuel gases before being burned in any fuel gas combustion device. The span value for this instrument shall be 425 mg/dscm H_2S. Fuel gas combustion devices having a common source of fuel gas may be monitored at only one location, if monitoring at this location accurately represents the concentration of H_2S in the fuel gas being burned. This requirement shall not apply to devices monitored with an approved alternate monitoring procedure.

The H_2S continuous monitoring system shall meet the applicable monitoring requirements of §60.13. The permittee shall use Performance Specification 7 for performance evaluations for the H_2S monitor required by §60.13(c). EPA Test Method 11, 15, 15A, or 16 shall be used for conducting the relative accuracy evaluations. (Ref.: §60.105(a)(4))

(4) The permittee shall maintain records and submit semiannual reports in accordance with §60.7(b), (c), (d), and (f). Semiannual reports shall be postmarked by the 30^{th} day following the end of each six-month period. The permittee shall submit a signed statement certifying the accuracy and completeness of the information contained in the report. (Ref.: §60.107 (e) and (f))

ISO II Unit (Plant 62) Feed Quality Limitation

(5) The endpoint of the feed to the ISO II Unit (Plant 62) shall not exceed $878^{o}F$, based on a 12-month rolling average. The permittee shall determine the endpoint of the feed twice per week and calculate the average endpoint for each calendar month and each consecutive 12-month period.

Federal NESHAP Standards (40 CFR Part 61 and 63):

(6) The facility is subject to and shall comply with the National Emission Standards for Hazardous Air Pollutants (NESHAP) as described in 40 CFR Part 61, Subpart FF – National Emission Standard for Benzene Waste Operations.

(a) The provisions of this subpart apply to owners and operators of chemical manufacturing plants, coke by-product recovery plants, and petroleum refineries.

(b) The provisions of this subpart apply to owners and operators of hazardous waste treatment, storage, and disposal facilities that treat, store, or dispose of hazardous waste generated by any facility listed in §61.340(a). The waste streams at hazardous waste treatment, storage, and disposal facilities subject to the provisions of this subpart are the benzene-containing hazardous waste from any facility listed in §61.340(a).

(c) At each facility identified in §61.340(a) or (b), the following waste is exempt from the requirements of this subpart:

(1) Waste in the form of gases or vapors that is emitted from process fluids; and

(2) Waste that is contained in a segregated storm water sewer system.

(d) At each facility identified in §61.340(a) or (b), any gaseous stream from a waste management unit, treatment process, or wastewater treatment system routed to a fuel gas system, as defined in §61.341, is exempt from this subpart. No testing, monitoring, recordkeeping, or reporting is required under this subpart for any gaseous stream from a waste management unit, treatment process, or wastewater treatment unit routed to a fuel gas system.

(7) The facility is subject to and shall comply with the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Source Categories as described in 40 CFR Part 63, Subpart CC – National Emission Standards for Hazardous Air Pollutants from Petroleum Refineries, and 40 CFR Part 63, Subpart A – General Provisions.

(a) This subpart applies to petroleum refining process units and to related emission points that are specified in §63.640(c)(5) through (c)(7) that are located at a plant site that meets the criteria in §63.640(a)(1) through (a)(2).

(b) For the purpose of this subpart, the affected source shall comprise all emission points, in combination, listed in §63.640(c)(1) through (c)(7) of this section that are located at a single refinery.

(c) The affected source subject to this subpart does not include the emission points listed in paragraphs (d)(1) through (d)(5).

Where applicable, the facility shall comply with the specific requirements of 40 CFR Part 63, Subpart G (National Emission Standards for Organic Hazardous Air Pollutants from the Synthetic Organic Chemical Manufacturing Industry (SOCMI) for Process Vents, Storage Vessels, Transfer Operations, and Wastewater); 40 CFR Part 63, Subpart H (National Emission Standards for Organic Hazardous Air Pollutants for Equipment Leaks) or 40 CFR Part 60, Subpart VV (Standards of Performance for Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry); and 40 CFR Part 63, Subpart Y (National Emission Standards for Marine Tank Vessel Loading Operations).

(8) The facility is subject to and shall comply with the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Source Categories as described in 40 CFR Part 63, Subpart DDDDD – NESHAP for Industrial, Commercial, and Institutional Boilers and Process Heaters, and 40 CFR Part 63, Subpart A – General Provisions. The permittee shall comply with the applicable requirements of the subpart by the dates specified in §63.7495.

(a) This subpart applies to new, reconstructed, or existing affected sources as described in §63.7490(a)(1) and (2).

(b) The types of boilers and process heaters listed in §63.7491(a) through (o) of this section are not subject to this subpart.

(c) Boilers and process heaters with limited requirements are described in §63.7506.