

October 21, 2014

InterState Oil Company
Brent W. Andrews, President
8221 Alpine Avenue
Sacramento, CA 95826
Email: bandrews@interstateoil.com

Dear Mr. Anderson:

As you know, the District has determined that Permit 23977 was issued in error because it failed to meet District Best Available Control Technology (BACT) requirements. InterState has agreed to surrender the permit, rather than force the District to petition the Hearing Board for permit revocation.

Because the permit should not have been issued, InterState is entitled to resume operation under its prior permit, No. 22863, which authorizes the company to transload ethanol at its 4545 Dudley Boulevard facility in McClellan, California. Consequently, the District will reinstate that permit.

InterState has also agreed to inform its contractors that it will cease accepting crude oil for transloading November 7, 2014, and the District has agreed to allow one additional week to guard against the remote possibility that crude oil might be shipped to the site after that date.

Attached is reinstated permit 22863, with an effective date of November 14, 2014. The permit is conditioned upon the surrender of Permit 23977.

Thank you for your cooperation.

Sincerely,

Larry Greene.

Executive Director/Air Pollution Control Officer