

ACTION SUMMARY
(Unofficial)

Hearing Board

August 1, 2012

9:30 A.M.

APCD Hearing Board Members:

Donald R. Ward
Dr. Francis P. Lagattuta, Chair
Robert J. Saperstein
David Schmarje, Vice-Chair
John Deacon

BOARD OF SUPERVISORS HEARING ROOM
Betteravia Government Center
511 East Lakeside Parkway
Santa Maria, CA

I. 9:32 a.m. - Roll Call – Absent: Ward

II. Election of Chair and Vice-Chair for 2012

Saperstein/Deacon

Retain Chair Dr. Frank Lagattuta
and Vice-Chair David Schmarje.

III. Administration of Oath to Participants

All participants were sworn in.

IV. Approval of minutes of the July 6, 2011 meeting

Continued to next meeting,
as there was not a quorum of
Board members available
today who were present at
the July 6, 2011 meeting.

Absent: Ward

V. Requests for continuance or addition of Ex-Agenda items.

None.

VI. Announcements/Staff Reports

Michael Goldman, Division Manager for the APCD, informed the Hearing Board he would be acting on behalf of Craig Strommen for the District at today's meeting. Mr. Goldman gave a brief overview as to the current status of the District.

Clerk of the APCD Board:

Louis D. Van Mullem, Jr.

A motion was made to recognize Donald Ward's 25 years of service on the APCD Hearing Board.

Schmarje/Saperstein

Approved.

VII. Public Comment Period

There were no public comments.

Board member Deacon recused himself and left the dais at this time.

VIII. Public Hearings

- 1) **Case No. 12-12-R** – Plains Exploration & Production Company
201 South Broadway, Orcutt, CA 93455

Hearing: To consider an application by Plains Exploration & Production Company for a Regular Variance from District Rule 206, Condition 9.C.2 of Part 70/Permit to Operate 9104. The Petitioner is currently operating Turbine Generator G-93 on Platform Hermosa under interim variance relief (Interim Variance Order 11-12-I) to provide power for platform operations due to the unavailability of turbine generator G-91 and when turbine generators G-92 and G-94 are out-of-service due to repair and/or maintenance activities.

Glen Oliver and Jerry Penny appeared on behalf of the Petitioner; Mike Goldman represented the District; Woody Lavayen acted as Counsel for the Hearing Board.

Following testimony by the Petitioner and the District, the Hearing Board engaged in discussion and unanimously agreed that the six findings had been met. A motion was made to accept the findings as stated by the Hearing Board with an additional condition to the draft Findings and Order that the Petitioner limit and quantify use of turbine generator G-93.

Saperstein/Schmarje

Regular Variance granted with conditions as specified in the Findings and Order for the period of August 1, 2012 through December 31, 2012.

Absent: Ward, Deacon

IX. Administrative Agenda - Receive and File:

The following Emergency Variance Orders have been approved by the Air Pollution Control District Hearing Board. These orders are available for inspection and reproduction at the Office of the Air Pollution Control District:

- A-1) **Case No. 08-11-E** – Exxon/Mobil Production Company
12000 Calle Real, Goleta, CA 93117

On June 15, 2011 Hearing Board member David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Conditions 9.C.2(b)(iv), 9.C.2(b)(xi) and 9.C.2(b)(xi)(1) of Part 70/Permit to Operate 8092 for the operation of the Thermal Oxidizer (A-803) at Petitioner's gas processing plant, located approximately 25 miles northwest of the city of Santa Barbara, in violation of the 239 ppm_v H₂S limit for the period of June 13, 2011 through June 27, 2011.

**A-2) Case No. 09-11-E – Phoenix Exergy, LLC
2400 Professional Parkway, Santa Maria, CA 93456**

On June 27, 2011 Hearing Board member David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from District Rules 325.D.1 and 325.E. of Permits to Operate 8896-R7 and 12940, currently exceeding emission limits, in order to find and remedy four leaks in the Monterey Tank Battery located at its Careaga Oil and Gas facility. Variance was granted for the period of June 24, 2011 through July 23, 2011.

**A-3) Case No. 10-11-E – ERG Operating Company
6068 Cat Canyon Road, Santa Maria, CA 93455**

On August 16, 2011 Hearing Board member Louis D. Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from District Rules 325.D.1(a) and 206, Condition 8 of Permit to Operate 7149 and Condition 6 of Permit to Operate 12876 in violation of exceeding ROC emission limits in order to repair the vapor recovery system of its four tanks located at its Tognazzini Tank Battery in Santa Maria. Variance was granted for the period of August 15, 2011 through August 29, 2011.

**A-4) Case No. 11-11-E – Exxon/Mobil Production Company
12000 Calle Real, Goleta, CA 93117**

On August 16, 2011 Hearing Board member Louis D. Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Conditions 9.C.2 (b)(iv), 9.C.2(b)(xi) and 9.C.2(b)(xi)(1) of Part 70/Permit to Operate 8092 for continued operation of the Thermal Oxidizer (A-803) in violation of the 239 ppm_v H₂S limit in order to find and remediate the source of the elevated H₂S. Said thermal oxidizer is located at Petitioners gas processing plant approximately 25 miles northwest of the City of Santa Barbara and was granted for the period of August 15, 2011 through August 29, 2011.

**A-5) Case No. 12-11-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455**

On August 29, 2011 Hearing Board member David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.3(b)(iii) of Part 70/Permit to Operate 9104 and the Flare Gas Monitoring Plan for continued operation of Platform Hermosa, located on the Outer Continental Shelf approximately 10 miles offshore of Pt. Arguello, without the use of a Flare Gas H₂S analyzer. A new Flare Gas H₂S analyzer will be installed during the variance period of August 26, 2011 through August 27, 2011.

**A-6) Case No. 13-11-E – Celite Corporation
2500 Miguelito Road, Lompoc, CA 93436**

On September 6, 2011 Hearing Board member David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.2.(b) of Permit to Operate 5840 for continued operation of a 350 Scrubber located at its Celpure facility in Lompoc in violation of the PM₁₀ emission limit of 0.0347 lb/hour to allow Petitioner to identify and correct the source/cause of the non-compliance. Said variance was granted for the period of September 2, 2011 through October 1, 2011.

**A-7) Case No. 14-11-I – Celite Corporation
2500 Miguelito Road, Lompoc, CA 93436**

On September 27, 2011 Hearing Board member David Schmarje approved an Interim Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.2.(b) of Permit to Operate 5840 for continued operation of a 350 Scrubber located at its Celpure facility in Lompoc in violation of the PM₁₀ emission limit of 0.0347 lb/hour to allow Petitioner to receive and install a new scrubber demister pad and a packed bed media. Said variance was granted for the period of September 27, 2011 through October 11, 2011, or the date of decision of the Hearing Board on the application for 90-Day Variance 15-11-N, whichever occurs first.

**A-8) Case No. 15-11-N – Celite Corporation
2500 Miguelito Road, Lompoc, CA 93436**

On October 11, 2011 Hearing Board member David Schmarje approved a 90-Day Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.2.(b) of Permit to Operate 5840 for continued operation of a 350 Scrubber located at its Celpure facility in Lompoc in violation of the PM₁₀ emission limit of 0.0347 lb/hour to allow Petitioner to source test its newly installed scrubber demister pad and packed bed media. Said variance was granted for the period of October 11, 2011 through October 31, 2011.

**A-9) Case No. 16-11-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455**

On October 7, 2011 Hearing Board member Donald Ward approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.2(a) of Part 70/Permit to Operate 9103 for continued operation of Platform Harvest located on the Outer Continental Shelf approximately 10 miles offshore of Pt. Arguello to allow maintenance and source testing of Turbine Generator G-700C, currently exceeding the 73.66/lbs per day of CO emissions. Said variance was granted for the period of October 10, 2011 through October 31, 2011.

**A-10) Case No. 17-11-E – Exxon/Mobil Production Company
12000 Calle Real, Goleta, CA 93117**

On October 21, 2011 Hearing Board member Robert Saperstein approved an Emergency Variance providing variance protection to the Petitioner from District Rule 202.F.2 to operate up to two CARB-registered portable equipment electrical generators with 100 and 173 Bhp engines without first complying with the 14-day advance notice in order to locate, retrieve and disable a remotely operated vehicle that lost power. The Petitioner operates the equipment on Platform Harmony, located in the Santa Ynez Unit of the Outer Continental Shelf approximately 18 miles west of the city of Santa Barbara. Said variance was granted for the period of October 21, 2011 through November 14, 2011.

**A-11) Case No. 18-11-N – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455**

On November 14, 2011 Hearing Board member Donald Ward approved a 90-Day Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.2(a) of Part 70/Permit to Operate 9103 for continued operation of Turbine G-700C located on Platform Harvest on the Outer Continental Shelf approximately 10 miles offshore of Pt. Arguello, currently exceeding the 73.66/lbs per day of CO emissions, in order to located and correct the cause of the excess emissions as well as conduct compliance testing. Said variance was granted for the period of November 14, 2011 through February 11, 2012.

**A-12) Case No. 19-11-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455**

On November 9, 2011 Hearing Board member Robert Saperstein approved an Emergency Variance providing variance protection to the Petitioner from District Rule 325.D and Rule 206, Conditions 9.C.4.(a) and (b) and 9.C.1.(a), (b) and (c) of Part 70/Permit to Operate 5704 for the continued operation of the Gaviota Oil Heating Facility located approximately 28 miles west of the city of Santa Barbara in violation of operating without a vapor recovery system or turbine selective catalytic reduction system due to a failure in the facility main power switchgear. Said variance was granted for the period of November 9, 2011 through November 23, 2011.

**A-13) Case No. 20-11-N – DCOR, LLC
290 Maple Court, Suite 290, Ventura, CA 93003**

Rescinded on December 21, 2011.

**A-14) Case No. 21-11-N – Greka Oil & Gas, Inc.
P.O. Box 5489, Santa Maria, CA 93456**

On January 13, 2012 Hearing Board member David Schmarje approved a 90-Day Variance providing variance protection to the Petitioner from District Rule 325.D.1. for continued operation of the Casmalia Morganti Lease Tank Battery located in Santa Maria in violation of operating without a vapor recovery system in order to conduct planned repairs to the vapor recovery system main intake line. Said variance was granted for the period of January 18, 2012 through January 21, 2012.

**A-15) Case No. 22-11-E – Celite Corporation
2500 Miguelito Road, Lompoc, CA 93436**

On January 3, 2012 Hearing Board member David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.2.(b) of Permit to Operate 5840 for continued operation of the 370 Scrubber located in Lompoc, currently exceeding the PM₁₀ emission limit of 0.35 lb/day, in order to identify and correct the source/cause of non-compliance for the period of December 29, 2011 through January 28, 2012.

**A-16) Case No. 01-12-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455**

On January 24, 2012 Hearing Board member David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Conditions 9.C.2.(e)(i) and 9.C.2.(e)(iii) of Part 70/Permit to Operate 9103 for continued operation of Sales Gas Compressors K-200A, B and C, located on Platform Harvest on the Outer Continental Shelf approximately 10 miles offshore of Pt. Arguello, without continuous monitoring of the Ammonia Control System while the cause of the monitoring failure is located and corrected. Said variance was granted for the period of January 23, 2012 through February 21, 2012.

**A-17) Case No. 02-12-N – Southern California Gas Company
1171 More Ranch Road, Goleta, CA 93111**

On February 27, 2012 Hearing Board member David Schmarje approved a 90-Day Variance providing variance protection to the Petitioner from District Rule 206, Conditions 9.C.1.(a), 9.C.1.(b)(iv), 9.C.1(b)(vi)C, and 9.C.1(b)(vi)A of Part 70/Permit to Operate 9584-R3 and APCD Rule 333.E.1.a in order to “break-in” a newly overhauled engine and compressor without the use of a catalytic converter element for the period of February 28, 2012 through May 27, 2012 or the date that the break-in period of the engine is complete, not to exceed 150 hours of engine runtime.

A-18) Case No. 03-12-I – Greka Oil & Gas, Inc.
P.O. Box 5489, Santa Maria, CA 93456

On February 9, 2012 Hearing Board member David Schmarje approved an Interim Variance providing variance protection to the Petitioner from District Rule 325.E.1 for the continued operation of Petitioner's Morganti Well #2 located at the Casmalia Field, Santa Barbara County, in order to repair a leak below the wellhead flange for the period of February 3, 2012 through May 2, 2012 or the date of decision of the Hearing Board on the application for 90-Day Variance 04-12-N.

A-19) Case No. 04-12-N – Greka Oil & Gas, Inc.
P.O. Box 5489, Santa Maria, CA 93456

On April 3, 2012 Hearing Board member David Schmarje approved a 90-Day Variance providing variance protection to the Petitioner from District Rule 325.E.1 for the continued operation of Petitioner's Morganti Well #2 located at the Casmalia Field, Santa Barbara County, in order to repair a leak below the wellhead flange for the period of April 3, 2012 through May 2, 2012.

A-20) Case No. 05-12-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455

Withdrawn on February 13, 2012.

A-21) Case No. 06-12-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455

On March 5, 2012 Hearing Board member Donald Ward approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.3(a) of Part 70/Permit to Operate 9105 for continued operation of Platform Hidalgo, located on the Outer Continental Shelf approximately 7 miles offshore Pt. Arguello, while in violation of exceeding the 4.4 tons/quarter Sox limit during unplanned flaring for the period of March 2, 2012 through March 31, 2012.

A-22) Case No. 07-12-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455

On May 14, 2012 Hearing Board member David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from District Rules 325 and 206, Condition 9.C.2 of Part 70/Permit to Operate 7126 for continued operation of the Crude Oil Shipping Tank (T-110) located at the La Purisima Lease approximately 2.5 miles north of the City of Lompoc, in order to determine the cause and solution of pressure surges in the tank for the period of May 10, 2012 through June 8, 2012.

A-23) Case No. 08-12-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455

On May 30, 2012 Hearing Board member Robert Saperstein approved an Emergency Variance providing variance protection to the Petitioner from District Rule 359.D.2.b.(2) for continued operation of Platform Hermosa, located on the Outer Continental Shelf lease approximately 10 miles offshore of Pt. Arguello, in order to replace a failed thermocouple for the period of May 25, 2012 through June 23, 2012.

**A-24) Case No. 09-12-I – Exxon/Mobil Production Company
12000 Calle Real, Goleta, CA 93117**

On May 31, 2012 Hearing Board member David Schmarje approved an Interim Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.15 of Part 70/Permit to Operate 5651 for continued operation of Petitioner's Waste Gas Incinerator, located at its Las Flores Canyon oil and gas processing plant approximately 25 miles northwest of Santa Barbara, to allow for replacement and testing of new stack flow sensors for the period of May 26, 2012 through August 24, 2012 or the date of decision of Petitioner's request for a 90-Day Variance, whichever occurs first.

**A-25) Case No. 10-12-N – Exxon/Mobil Production Company
12000 Calle Real, Goleta, CA 93117**

On June 11, 2012 Hearing Board member David Schmarje approved a 90-Day Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.15 of Part 70/Permit to Operate 5651 for continued operation of Petitioner's Waste Gas Incinerator, located at its Las Flores Canyon oil and gas processing plant approximately 25 miles northwest of Santa Barbara, to allow for replacement and testing of new stack flow sensors for the period of June 11, 2012 through September 8, 2012.

**A-26) Case No. 11-12-I – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455**

On June 7, 2012 Hearing Board member Donald Ward approved an Interim Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.2 of Part 70/Permit to Operate 9104 for continued operation of Petitioner's Turbine Generator G-93 on Platform Hermosa located on the Outer Continental Shelf lease approximately 10 miles offshore of Pt. Arguello, while efforts are made to fix and/or replace the primary turbine generators G-91 and G-94 for the period of June 8, 2012 through September 5, 2012 or the date of decision of Petitioner's request for a Regular Variance, whichever occurs first.

**A-27) Case No. 13-12-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455**

On June 7, 2012 Hearing Board member Donald Ward approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.3(a) of Part 70/Permit to Operate 9103 for continued operation of Platform Harvest, located on the Outer Continental Shelf lease approximately 10 miles offshore of Pt. Arguello, in violation of exceeding the 4.67 ton/quarter Sox limit for unplanned flaring for the period of June 5, 2012 through June 30, 2012.

**A-28) Case No. 14-12-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455**

On June 26, 2012 Hearing Board member Donald Ward approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.3(b)(vi) of Part 70/Permit to Operate 9103 for continued operation of Platform Harvest, located on the Outer Continental Shelf lease approximately 10 miles offshore of Pt. Arguello, in violation of exceeding the 17,000 ppmv weighted quarterly average H₂S concentration limit for the period of June 22, 2012 through June 30, 2012.

**A-29) Case No. 15-12-E – Exxon/Mobil Production Company
12000 Calle Real, Goleta, CA 93117**

On June 26, 2012 Hearing Board member Donald Ward approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Condition 9.C.1(b)(vi) of Part 70/Permit to Operate 5651 for continued operation of Petitioner's Gas Turbine Generator, located in the Petitioner's Las Flores Canyon oil and gas processing plant approximately 25 miles northwest of the City of Santa Barbara, without the use of NOx steam injection until the temperature control valve for the steam injection and the controller for the pressure control valve can be replaced. The Permit Condition requires use of NOx steam injection in the Gas Turbine Generator at a minimum steam to fuel ratio of 0.6. Said variance was granted for the period of June 22, 2012 through June 24, 2012.

**A-30) Case No. 16-12-E – Exxon/Mobil Production Company
12000 Calle Real, Goleta, CA 93117**

On June 26, 2012 Hearing Board member Donald Ward approved an Emergency Variance providing variance protection to the Petitioner from District Rule 206, Conditions 9.C.1(a), 9.C.1(a)(i), 9.C.1(b)(vi) and 9.C.1(b)(vii) of Part 70/Permit to Operate 5651 for the continued operation of Petitioner's Heat Recovery Steam Generator HRSG, located in the Petitioner's Las Flores Canyon oil and gas processing plant approximately 25 miles northwest of the City of Santa Barbara, in order to evaluate and, if possible, repair the leak(s) for the period of June 24, 2012 through June 25, 2012.

Schmarje/Saperstein

Received and filed.

Absent: Ward, Deacon

X. Adjourn

The meeting was adjourned at 10:17 a.m.

ANNOUNCEMENTS

The next regularly scheduled meeting of the Santa Barbara County Air Pollution Control District Hearing Board is September 5, 2012 at 9:30 a.m.