

 Santa Barbara County Air Pollution Control District	Case No / Date	2015-15-R	07/01/15
	Petitioner	ExxonMobil Production Company	
	Permit #	Part 70/PTO 8092	
	Date Rec'd	06/05/15	
	Time Rec'd	1801 hours	
<b>FOR OFFICIAL USE ONLY</b>			

**BEFORE THE HEARING BOARD  
OF THE SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT**

In The Matter of the Application of )  
ExxonMobil Production Company for )  
an Regular Variance from District Rule )  
328 and Rule 206, Conditions )  
9.C.7(a)(i), 9.C.12 and 9.C.12(a) of )  
Part 70/Permit to Operate 8092. )

**H.B. Case No. 2015-15-R**

**\*\*\* DRAFT \*\*\* VARIANCE FINDINGS**

**AND ORDER**

ExxonMobil Production Company filed a Petition for a Regular Variance on June 5, 2015. The Regular Variance was heard on July 1, 2015 with Patrice Surmeier appearing for the Petitioner and Aimee Long appearing for the Santa Barbara County Air Pollution Control District.

This matter having been fully presented and duly considered, the Hearing Board makes the following findings and gives the following reasons for its decision.

1. Notice of the Hearing was duly given in the manner and for the time required by law.
2. Sworn testimony and argument on behalf of the Petitioner and the Air Pollution Control Officer were made, received and considered.
3. The Petitioner operates the equipment described in the Petition at POPCO's gas processing plant located approximately 25 miles northwest of the City of Santa Barbara, California.
4. The Petitioner operates the equipment described in the Petition at 12000 Calle Real, Goleta, CA.

5. ExxonMobil Production Company, a division of Exxon Mobil Corporation, is the holder of Permit to Operate 8092-R8. This main facility permit authorizes the operation of the equipment and processes located at the Pacific Offshore Pipeline Company (POPCO) Gas Plant, which is part of the Exxon – Santa Ynez Unit Project.
6. The Petitioner operates a Stretford Unit tail gas H<sub>2</sub>S analyzer (AE-405) which was designed by Ametek/Western Research. It continuously measures the H<sub>2</sub>S concentration in the Stretford tail gas using UV light sources and photomultiplier tubes. The operation and maintenance is described in detail in the Petitioners SBCAPCD-approved CEM plan which is incorporated by reference in the PTO for the facility. These requirements are specified in Condition 9.C.12 and 9.C.12(a) of PTO 8092. The tail gas from the Stretford unit is incinerated in Boilers B-801 A & B and is limited to 100 ppmvd H<sub>2</sub>S, as specified in Condition 9.C.7(a)(i) of PTO 8092. The Petitioner is in violation of the above mentioned permit conditions specified in Part 70 Permit to Operate 8092-R8.
7. On May 23, 2015, startup operations at the Petitioner's facility commenced following an extended shut down. At this time, the Stretford tail gas H<sub>2</sub>S reading exceeded 100 ppm H<sub>2</sub>S. The elevated reading was believed to be an analyzer error. As a result, multiple sorbent tube samples were taken. Sorbent tube results indicated the H<sub>2</sub>S concentration were less than 1 ppm. Instrumentation Technicians inspected the analyzer but were unable to identify mechanical issues with the equipment. The concentration spiked several times but decreased as the facility reached steady state. On June 2, 2015, the readings spiked again. During the June 2, 2015, spike, a sorbent tube reading was obtained, results indicated less than 1 ppm H<sub>2</sub>S. An off gas sample was also taken during the spike and was analyzed by an outside laboratory. The results indicated less than 1 ppm H<sub>2</sub>S in the tail gas during an analyzer reading of 101 ppm H<sub>2</sub>S. On June 3, 2015, Breakdown 10745, was filed with the District for the analyzer (Analyzer AE-405) reading tail gas concentrations in excess of 100 ppm, while sorbent tubes indicated a low H<sub>2</sub>S concentration.

The analyzer is intermittently providing accurate H<sub>2</sub>S concentrations in the tail gas stream. The Petitioner's permit requires compliance to be determined via Data Acquisition System (DAS) on a six-minute basis. The H<sub>2</sub>S limit during these periods is being met as measured by the sorbent tube readings; however, the analyzer is not continuously verifying this permit condition during these spikes, as required by condition 9.C.7(a)(i) of PTO 8092.

The Petitioner has contacted the manufacturer of the analyzer and is working with them to identify possible corrective actions or replacements for the unit. Several other analyzer manufacturers are also being contacted. The lead time for replacement equipment is a minimum of approximately 24 weeks. As a result, an interim and regular variance are being sought.

8. Due to conditions beyond the reasonable control of the Petitioner, requiring immediate compliance with the referenced permit conditions and rules would result in an arbitrary or unreasonable taking of property would require the facility to shut down. This would result in a loss of revenues of approximately \$475,000 per day in natural gas and oil sales.
9. Immediate compliance with the referenced permit conditions and rules would result in considerable excess emissions as a result of shutting down the facility. Excess emissions would occur at both the POPCO and Las Flores Canyon (LFC) facilities, as a result of depressurization and flaring. Excess emissions are not expected with this variance.
10. The taking would be without a corresponding benefit in reducing air contaminants in that the Stretford Unit tail gas H<sub>2</sub>S analyzer (AE-405) is falsely reading high. This has been confirmed by sorbent tube readings.
11. The Petitioner has given consideration to curtailing operations of the source in lieu of obtaining a variance but this would not remove the need for a variance.
12. During the requested variance the Petitioner will continue to work to identify the cause of the analyzer error. Once the analyzer error has been identified, the Petitioner has committed to using all available resources to return the facility to compliance. The Petitioner is seeking relief from the above-referenced permit conditions until the analyzer is repaired or replaced and any potential additional constituents in the tail gas stream are identified and remediated.
13. During the variance period, the Petitioner will continue to operate the analyzer until the time to perform the necessary maintenance. Any Stretford Unit tail gas H<sub>2</sub>S analyzer results lasting over one hour shall be sampled using sorbent tubes to verify H<sub>2</sub>S concentration.
14. A nuisance as defined in District Rule 303 is not expected to occur as a result of this variance and continued operation is not likely to create an immediate threat or hazard to public health or safety.
15. The District staff supports the Petition as conditioned below.

**THEREFORE, THE HEARING BOARD ORDERS,** as follows:

That a Regular Variance be granted for the operation of the Stretford Unit tail gas H<sub>2</sub>S analyzer in violation of Rule 328 and Rule 206, Conditions 9.C.7(a)(i), 9.C.12 and 9.C.12(a) of Part 70/Permit to Operate 8092 from June 6, 2015 through June 5, 2016, or the date the analyzer is repaired/replaced, whichever occurs first, with the following conditions:

1. Petitioner shall submit increments of progress to the Hearing Board and District thirty (30) days after the approval of the Regular Variance and every three (3) months thereafter, due on November 1, 2015, February 1, 2016 and May 1, 2016. The increments of progress report shall include: status of compliance, description of the cause of the constituents in the tail gas, the corrective action taken to date, and the dates, times, volumes and actual emissions that occurred during the variance.
2. Petitioner shall submit a final report to the Hearing Board and District by June 24, 2016. The report shall include the date compliance was achieved together with a description of the cause of the constituents in the tail gas, the corrective actions taken and the dates, times, volumes and actual emissions that occurred during the variance period. If corrective action would be subject to District permits, then permits must be obtained prior to initiating corrective action.
3. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in the Order.
4. Failure to abide by all conditions of the this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
5. Each day during any portion of which a violation occurs is a separate offense.

**DATED:** \_\_\_\_\_

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

Chair  
Santa Barbara County Air Pollution Control District  
Hearing Board