

ACTION SUMMARY
(Unofficial)

Hearing Board

February 4, 2015

9:30 A.M.

APCD Hearing Board Members:

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

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

I. 9:32 a.m. – Convene – Roll Call

Present: 5 - Ward, Lagattuta, Saperstein, Schmarje,
Lavagnino.

Absent: 0 - None.

II. Election of Chair and Vice-Chair for 2015

A motion was made by Hearing Board member Ward, seconded by
Hearing Board member Schmarje to elect Robert Saperstein as Chair.
The motion carried by the following vote.

Ayes: 5 - Ward, Lagattuta, Saperstein, Schmarje,
Lavagnino.

Noes: 0 - None.

Abstain: 0 - None.

Absent: 0 - None.

A motion was made by Hearing Board member Ward, seconded by
Hearing Board member Saperstein to elect Larry Lavagnino as Vice-
Chair. The motion carried by the following vote.

Ayes: 5 - Ward, Lagattuta, Saperstein, Schmarje,
Lavagnino.

Noes: 0 - None.

Abstain: 0 - None.

Absent: 0 - None.

III. Administration of Oath to Participants

All participants were sworn in.

Clerk of the APCD Board:

Louis D. Van Mullem, Jr.

IV. Approval of minutes of the November 6, 2013 meeting

A motion was made by Hearing Board member Lavagnino, seconded by Hearing Board member Ward that the minutes be approved. The motion carried by the following vote.

Ayes: 5 - Ward, Lagattuta, Saperstein, Schmarje, Lavagnino.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 0 - None.

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

None.

VI. Announcements/Staff Reports

Michael Goldman, Engineering Division Manager at the APCD, introduced newer members of the APCD Compliance staff: Eric Kett (Compliance Supervisor), Mike McKay (Inspection Specialist), Aimee Long (Inspection Specialist) and Sage Swain (Inspection Specialist). Mr. Goldman also informed Hearing Board members that he would be acting as Interim Compliance Manager since Craig Strommen retired in January. A recruitment to fill the Compliance Manager position had not yet commenced. Mr. Goldman then gave Hearing Board members a brief presentation and answered questions related to current events at the District including staff changes, historical variance workload, New Source Review Rules, Air Toxics Program and the Vessel Speed Reduction Pilot Program.

VII. Public Comment Period

There were no public comments.

VIII. Public Hearings

Prior to the reading of item #1, Hearing Board member Larry Lavagnino recused himself and left the dais due to a potential conflict of interest.

**1) Case No. 2015-01-R – Southern California Gas Company
1171 More Ranch Road, Goleta, CA 93111**

Hearing – To consider an application by Southern California Gas Company for a Regular Variance from District Rule 333.E.1.a, and Conditions 9.C.1.(a), 9.C.1.(b)(iv), 9.C.1.(b)(v), and 9.C.1.(b)(vi)(A) of Permit to Operate 9584-R4. A 650 BHP natural gas fueled engine and its associated compressor at the facility were recently overhauled and are ready to be placed back in service. It is necessary to operate the engine under no-load and light-load conditions to adjust and properly break-in the equipment following the overhaul for up to 150 hours. Equipment necessary to reduce emissions (a catalytic converter and the air/fuel controller) does not operate properly under these conditions and will be disabled until the engine is capable of operating at or near its normal load and temperatures. Petitioner was previously granted 90-Day Variance Order 29-14-N, however due to activities outside of the control of the Petitioner, they will not be able to properly break-in the engine before it expires on February 9, 2015.

Ed Wiegman appeared on behalf of the Petitioner; Michael Goldman and Mike McKay represented the District; Jerry Czuleger acted as Counsel for the Hearing Board.

Following testimony by the Petitioner and the District, the Hearing Board unanimously agreed that the six findings had been met. A motion was made by Hearing Board member Schmarje, seconded by Hearing Board member Lagattuta to accept the findings as stated by the Hearing Board and that the variance be granted as submitted in the draft Findings and Order. Regular Variance number 2015-01-R was granted with conditions as specified in the Findings and Order for the period of February 4, 2015 through February 3, 2016 or the date the break-in period of the engine is complete, whichever occurs first, and not to exceed 150 hours of engine runtime by the following vote.

Ayes: 4 - Ward, Lagattuta, Saperstein, Schmarje.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 0 - None.

ADMINISTRATIVE AGENDA

Approved by vote on one motion. These items read only on request of Hearing Board members.

The following Variance Orders have been approved by the Air Pollution Control District Hearing Board. These orders are available for inspection and reproduction during normal business hours at the office of the Air Pollution Control District, 260 North San Antonio Rd., Suite A, Santa Barbara, California 93110.

**A-1) Case No. – 22-13-E – Greka Oil & Gas, Inc.
P.O. Box 5489, Santa Maria, CA 93456**

On November 1, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of October 31, 2013 through November 30, 2013. Said variance provides relief from specific requirements of District Rule 325.E.1 and allows for continued operation of Battles Lease Tank Battery while repairs can be made off-site to a gas leak in the Vapor Recovery System compressor.

**A-2) Case No. – 01-14-I – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455**

On January 7, 2014 Hearing Board member David Schmarje approved an Interim Variance for the period of January 6, 2014 through March 28, 2014 or the date of decision regarding Petitioner's request for a 90-Day Variance, whichever occurs first. Said variance provides relief from District Rule 206, Condition 9.C.2.(a) of Permit to Operate 9105 and allows for continued operation of Turbine Generator G-92 while the cause of excess CO emissions is evaluated and corrections made.

**A-3) Case No. – 02-14-N – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455**

On January 29, 2014 Hearing Board member Larry Lavagnino approved a 90-Day Variance for the period of January 29, 2014 through March 28, 2014. Said variance provides relief from District Rule 206, Condition 9.C.2.(a) of Permit to Operate 9105 and allows for continued operation of Turbine Generator G-92 while the cause of excess CO emissions is evaluated and corrections made.

A-4) Case No. – 03-14-E – Greka Oil & Gas, Inc.
P.O. Box 5489, Santa Maria, CA 93456

On January 16, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of January 14, 2014 through January 28, 2014. Said variance provides relief from District Rule 331 and allows for the continued operation of Petitioner's Bell Lease Tank Battery while repairs are made to a gas leak in the compressor crank shaft seal.

A-5) Case No. – 04-14-E – Greka Oil & Gas, Inc.
P.O. Box 5489, Santa Maria, CA 93456

On January 23, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of January 22, 2014 through January 29, 2014. Said variance provides relief from District Rule 325.E.1 and allows for the continued operation of Petitioner's Union Sugar Lease with the Field Gas Compressor operating as the only on-site Vapor Recovery Compressor (VRC) while repairs are made to the main VRC.

A-6) Case No. – 05-14-E – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455

On January 23, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of January 23, 2014 through February 21, 2014. Said variance provides relief from District Rule 206, Condition 9.C.2(c)(i) and Condition 9.C.2(d)(iv) of Permit to Operate 5704 and allows for the continued operation of Petitioner's Gaviota Oil & Heating Facility while repairs can be made to an inoperable Gas Chromatograph.

A-7) Case No. – 06-14-E – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455

On January 29, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of January 29, 2014 through February 26, 2014. Said variance provides relief from District Rule 206, Condition 9.C.1(a) of Permit to Operate 9106 and Rule 333.E.4 and allows for the continued operation of Platform Irene North Crane Engine while the source of excess NOx emissions is evaluated and corrections made.

A-8) Case No. – 07-14-E – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455

On February 10, 2014 Hearing Board member Robert Saperstein approved an Emergency Variance for the period of February 7, 2014 through March 8, 2014. Said variance provides relief from District Rule 206, Condition 9.C.2(c)(iv) of Permit to Operate 9106 and allows for the continued operation of Platform Irene while repairs are made to a failed H₂S analyzer.

A-9) Case No. – 08-14-E – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455

On February 13, 2014 Hearing Board member Donald Ward approved an Emergency Variance for the period of February 11, 2014 through February 26, 2014. Said variance provides relief from District Rule 206, Condition 9.C.21(b)(i) of Permit to Operate 9106 and allows for the continued operation of Platform Irene with continuous use of emergency standby diesel-fueled CI engine while the electric pump is being replaced.

**A-10) Case No. – 09-14-E – Pacific Coast Energy Company
1555 Orcutt Hill Road, Orcutt, CA 93455**

On March 13, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of March 14, 2014 through March 16, 2014. Said variance provides relief from District Rule 325.D.1(a) and District Rule 206, Condition 9.C.7(b)(ii) of Permit to Operate 8240 and 2(b) of Permit to Operate 12084-R3 and allows for continued operation of the facility during a PG&E scheduled power outage.

**A-11) Case No. – 10-14-E – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455**

On March 19, 2014 Hearing Board member Robert Saperstein approved an Emergency Variance for the period of March 24, 2014 through April 23, 2014. Said variance provides relief from District Rule 206, Condition 9.C.2(a) of Permit to Operate 9103 and allows for limited operation of Platform Harvest G-700B Turbine while maintenance is performed to reduce excess ROC emissions.

**A-12) Case No. – 11-14-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On March 26, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of March 25, 2014 through April 9, 2014. Said variance provides relief from District Rule 206, Conditions 9.C.2(a), 9.C.2(b)(iv) and 9.C.2(b)(xi) of Part 70/Permit to Operate 8092 for the continued operation of the Thermal Oxidizer (A-803) while the system is purged and any potential additional sources of elevated H₂S are identified and remediated.

**A-13) Case No. – 12-14-N – Southern California Gas Co.
P.O. Box 5489, Santa Maria, CA 93456**

On May 8, 2014 Hearing Board member Larry Lavagnino approved a 90-Day Variance for the period of September 1, 2014 through November 29, 2014, or the date that the break-in period of the engine is complete, whichever occurs first, and not to exceed 150 hours of engine run-time. Said variance provides relief from District Rule 206, Conditions 9.C.1(a), 9.C.1(b)(iv), 9.C.1(b)(v) and 9.C.1(b)(vi)(A) of Part 70 Permit to Operate 9584-R4 and District Rule 333 E.1(a) and allows for continued operation of Petitioner's Main Unit #2 during the post-overhaul "break-in" period of the engine and compressor.

**A-14) Case No. – 13-14-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On April 18, 2014 Hearing Board member Robert Saperstein approved an Emergency Variance for the period of April 17, 2014 through May 16, 2014. Said variance provides relief from District Rule 206, Conditions 9.C.6(b)(iv) and 9.C.6(b)(v) of Part 70/Permit to Operate 5651 and allows for continued operation of the equalization tank while maintenance on the system is performed, and the cause of the lack of flow is identified and remediated.

**A-15) Case No. – 14-14-E – Imerys Minerals California
2500 Miguelito Road, Lompoc, CA 93436**

On May 2, 2014 Hearing Board member Robert Saperstein approved an Emergency Variance for the period of April 25, 2014 through May 24, 2014. Said variance provides relief from District Rule 302 and District Rule 206, Condition 9.B(2) of Part 70/Permits to Operate 5840 and 12105 and allows for the continued operation of 6 system and 7 system while repairs are made to the kiln heads.

**A-16) Case No. – 15-14-E – Mission Hills Community Services District
1550 E. Burton Mesa Blvd., Lompoc, CA 93436**

On April 29, 2014 Hearing Board member Donald Ward approved an Emergency Variance for the period of April 29, 2014 through May 28, 2014. Said variance provides relief from District Rule 206, Condition 6(a) and Table 5 of Permit to Operate 11886 and allows for limited operation of Petitioner's Water Pump in order to conduct source testing.

**A-17) Case No. – 16-14-E – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455**

On May 9, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of May 10, 2014 through June 8, 2014. Said variance provides relief from District Rule 331.E.1(f) and allows for the continued operation of Petitioner's Well C-11 while repairs are made to a hydrocarbon leak.

**A-18) Case No. – 17-14-I – Imerys Minerals California
2500 Miguelito Road, Lompoc, CA 93436**

On May 29, 2014 Hearing Board member Robert Saperstein approved an Interim Variance for the period of May 25, 2014 through August 12, 2014, or the date of decision on Petitioner's request for a 90-Day Variance, whichever occurs first. Said variance provides relief from District Rule 302 and District Rule 206, Condition 9.B(2) of Part 70/Permits to Operate 5840 and 12105 and allows for continued operation of 7 system while testing of the repaired kiln head is completed.

**A-19) Case No. – 18-14-N – Imerys Minerals California
2500 Miguelito Road, Lompoc, CA 93436**

On June 10, 2014 Hearing Board member Robert Saperstein approved a 90-Day Variance for the period of May 25, 2014 through August 22, 2014, or until the date compliance is achieved, whichever occurs first. Said variance provides relief from District Rule 302 and District Rule 206, Condition 9.B(2) of Part 70/Permits to Operate 5840 and 12105 and allows for continued operation of 7 system while testing of the repaired kiln head is completed.

**A-20) Case No. – 19-14-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On June 6, 2014 Hearing Board member David Schmarje approved an Emergency Variance for the period of June 4, 2014 through July 3, 2014. Said variance provides relief from District Rule 206, Conditions 9.C.12, 9.C.12(a) and 9.C.12(b) of Part 70/Permit to Operate 8092 and allows for continued operation of the Stretford Unit tail gas H₂S analyzer until it can be repaired and any potential additional constituents in the tail gas stream are identified and remediated.

**A-21) Case No. – 21-14-I – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On July 2, 2014 Hearing Board member David Schmarje approved an Interim Variance for the period of July 4, 2014 through October 1, 2014, or until the date of decision on Petitioner's request for a 90-Day Variance, whichever occurs first. Said variance provides relief from District Rule 328 and Rule 206, Conditions 9.C.12, 9.C.12(a) and 9.C.12(b) of Part 70/Permit to Operate 8092 and allows for continued operation of the Stretford Unit tail gas H₂S analyzer until it can be repaired and any potential additional constituents in the tail gas stream are identified and remediated.

**A-22) Case No. – 22-14-N – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On July 16, 2014 Hearing Board member David Schmarje approved a 90-Day Variance for the period of July 4, 2014 through October 1, 2014, or the date compliance is achieved, whichever occurs first. Said variance provides relief from District Rule 328 and Rule 206, Conditions 9.C.12, 9.C.12(a) and 9.C.12(b) of Part 70/Permit to Operate 8092 and allows for continued operation of the Stretford Unit tail gas H₂S analyzer until it can be repaired and any potential additional constituents in the tail gas stream are identified and remediated.

**A-23) Case No. – 23-14-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On July 1, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of July 1, 2014 through July 30, 2014. Said variance provides relief from District Rule 333 and Rule 206, Condition 9.C.1(c)(ii) of Part 70/Permit to Operate 9102 and allows for continued operation of the east pedestal crane while maintenance on the crane is performed.

**A-24) Case No. – 24-14-E – Pacific Coast Energy Company
1555 Orcutt Hill Road, Orcutt, CA 93455**

On July 25, 2014 Hearing Board member Robert Saperstein approved an Emergency Variance for the period of July 22, 2014 through August 5, 2014. Said variance provides relief from District Rule 325 D.1(a) and Rule 206 Conditions 9.C.7(a), 9.C.9 and 9.D.6 of Permit to Operate 08240 and allows for the continued operation of Petitioner's facility while corrections are made to eliminate the tank venting.

**A-25) Case No. – 25-14-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On August 8, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of August 1, 2014 through August 30, 2014. Said variance provides relief from District Rule 206, Condition C.5(a)(i) of Part 70/Permit to Operate 8092 and allows for continued operation of Petitioner's gas processing plant while the cause of the ice plugging is resolved.

**A-26) Case No. – 26-14-E – Biosphere Industries
1025 Cindy Lane, Carpinteria, CA 93013**

On August 11, 2014 Hearing Board member David Schmarje approved an Emergency Variance for the period of August 11, 2014 through September 9, 2014. Said variance provides relief from District Rule 206, Condition 3.e of Permit to Operate 13173 and allows for continued operation of the Thermal Oxidizer without a data logger, while a new data logger can be obtained and installed.

**A-27) Case No. – 27-14-E – Imerys Minerals California
2500 Miguelito Road, Lompoc, CA 93436**

On August 13, 2014 Hearing Board member Donald Ward approved an Emergency Variance for the period of August 11, 2014 through August 25, 2014. Said variance provides relief from District Rule 206, Condition 9.C.13(f) of Part 70 Permit to Operate 5840 and Permit to Operate 12105 and allows for continued operation of Petitioner's Thermal Oxidizer while the cause of website downtime is found and remedied.

**A-28) Case No. – 28-14-E – Greka Oil & Gas, Inc.
P.O. Box 5489, Santa Maria, CA 93456**

On September 11, 2014 Hearing Board member David Schmarje approved an Emergency Variance for the period of September 8, 2014 through September 22, 2014. Said variance provides relief from District Rules 325 and 206 of Part 70/Permit to Operate 8869 and allows for continued operation of Petitioner’s Bell Lease Tank Battery without an operable Vapor Recovery System, while repairs are made to the compressor.

**A-29) Case No. – 29-14-N – Southern California Gas Co.
P.O. Box 5489, Santa Maria, CA 93456**

On November 12, 2014 Hearing Board member Larry Lavagnino approved a 90-Day Variance for the period of November 12, 2014 through February 9, 2015, or the date that the break-in period of the engine is complete, whichever occurs first, and not to exceed 150 hours of engine run-time. Said variance provides relief from District Rule 206, Conditions 9.C.1(a), 9.C.1(b)(iv), 9.C.1(b)(v) and 9.C.1(b)(vi)(A) of Part 70 Permit to Operate 9584-R4 and District Rule 333 E.1(a) and allows for continued operation of Petitioner’s Main Unit #2 during the post-overhaul break-in period of the engine and compressor.

**A-30) Case No. – 30-14-E – Freeport-McMoRan Oil & Gas
201 South Broadway, Orcutt, CA 93455**

On October 28, 2014 Hearing Board member Larry Lavagnino approved an Emergency Variance for the period of October 25, 2014 through October 27, 2014. Said variance provides relief from District Rule 325.D.1 and allows for limited operation of Petitioner’s Lompoc Oil & Gas Plant while the cause of intermittent power failure was found and rectified.

**A-31) Case No. – 31-14-E – Greka Oil & Gas, Inc.
P.O. Box 5489, Santa Maria, CA 93456**

On November 18, 2014 Hearing Board member David Schmarje approved an Emergency Variance for the period of November 15, 2014 through November 29, 2014. Said variance provides relief from District Rule 325 and Condition 11 of Permit to Operate 8219 and allows for continued operation of Petitioner’s Battles Lease Tank Battery without an operable Vapor Recovery System, while repairs are made to the compressor.

A motion was made by Hearing Board member Schmarje, seconded by Hearing Board member Lavagnino that Administrative Agenda items A-1 through A-31 be received and filed. The motion carried by the following vote.

Ayes: 5 - Ward, Lagattuta, Saperstein, Schmarje, Lavagnino.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 0 - None.

ADJOURN

The meeting was adjourned at 10:39 a.m.

ANNOUNCEMENTS

The next regularly scheduled meeting of the Santa Barbara County Air Pollution Control District Hearing Board is March 4, 2015 a.m.