

 <p><b>Santa Barbara County Air Pollution Control District</b></p>	<b>Case No / Date</b>	<b>2015-30-R</b>	<b>11/04/15</b>
	<b>Petitioner</b>	<b>ExxonMobil Production Company</b>	
	<b>Permit #</b>	<b>Part 70/PTO 5651</b>	
	<b>Date Rec'd</b>	<b>09/28/15</b>	
	<b>Time Rec'd</b>	<b>13:41</b>	
<b>FOR OFFICIAL USE ONLY</b>			

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

**\*\* DRAFT \*\***

In The Matter of the Application of )  
ExxonMobil Production Company for a )  
Regular Variance from District Rules )  
328 and 206, Condition 9.C.15 of Part )  
70/Permit to Operate 5651. )

**H.B. Case No. 2015-30-R**

**VARIANCE FINDINGS**

**AND ORDER**

On September 28, 2015, ExxonMobil Production Company filed concurrently a Petition for an Interim and Regular Variance. Interim Variance Order 2015-29-I was granted on October 13, 2015 by Hearing Board Member David Schmarje, for the period of September 30, 2015 to December 28, 2015, or the date of decision of the Petitioner’s request for a Regular Variance, whichever occurs first. The Regular Variance was heard on November 4, 2015 in accordance with Health and Safety Code Section 40808 with Patrice Surmeier appearing for the Petitioner and Mike McKay 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 Las Flores Canyon (LFC), located at 12000 Calle Real, Goleta, CA, approximately 25 miles northwest of the City of Santa Barbara, CA.
4. ExxonMobil Production Company, a division of Exxon Mobil Corporation, is the holder of Permit to Operate 5651-R5. This main facility permit authorizes the operation of equipment and processes located at the Las Flores Canyon Oil and Gas Plant (LFC),

which is part of the Exxon – Santa Ynez Unit (SYU) Project.

5. As a result of the Plains All American Pipeline (AAPL) Line 901 failure on May 19, 2015, ExxonMobil experienced facility impacts. Due to these impacts, SYU onshore and offshore facilities are temporarily ceasing operations. On June 16, 2015 incoming platform gas was terminated. Preservation plans for the facility are still in progress. Line 901 remains shutdown and Plains continues to work with local and federal agencies to understand the nature of the failure and repair options. At this time it is unclear when the restart of the facility may occur. Upon the date the facility resumes processing platform gas, the Petitioner is requesting an additional six (6) months of variance coverage from the above permit requirements for scheduling of the Relative Accuracy Test Audit (RATA) and Relative Accuracy Audit (RAA) tests.
6. Without variance coverage, the Petitioner would be in violation of District Rules 328 and 206, Conditions 9.C.15 of Part 70/Permit to Operate 5651.
7. Due to conditions beyond the reasonable control of the Petitioner, compliance would result in an arbitrary or unreasonable taking of property as the pipeline closure is outside of the Petitioner's control.
8. Closing or taking would be without a corresponding benefit in reducing air contaminants as there are no expected excess emissions as a result of the granting of this Variance.
9. The Petitioner has curtailed operations in that the entire facility is shut in and will continue to remain shut in until a compliant method of oil shipment is established.
10. During the variance period excess emissions will be reduced to the maximum extent feasible as there is currently no process due to the facility being shut in.
11. The Petitioner will monitor the dates, hours, and all emissions related to the granting of this Variance.
12. 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.
13. The District staff supports the Petition as conditioned below.

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

That a Regular Variance be granted for the continued operation of the Las Flores Canyon Oil and Gas Plant in violation of District Rules 328 and Rule 206, Condition 9.C.15 of Part 70/Permit to Operate 5651 from September 30, 2015 through September 29, 2016, or six (6) months after the date the facility resumes processing platform gas, whichever occurs first, with the following conditions:

1. Petitioner shall submit increments of progress to the Hearing Board and District on the first day of every calendar quarter after the date of approval of the Regular Variance beginning January 1, 2016. The increments of progress report shall include: status of compliance, any corrective action taken to date, and the dates, times, volumes and actual emissions, if any, that occurred during the variance.
2. Petitioner shall submit a final report to the Hearing Board and District within thirty (30) days of the facility returning to compliance. The report shall include the date compliance was achieved together with the corrective actions taken and the dates, times, volumes and actual emissions, if any, 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:

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Chair  
Santa Barbara County Air Pollution Control District  
Hearing Board