

 <p>Santa Barbara County Air Pollution Control District</p>	Case No / Date	2015-32-R	12/02/15
	Petitioner	Venoco, Inc.	
	Permit #	Part 70/PTO 7904	
	Date Rec'd	10/20/15	
	Time Rec'd	08:31	
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**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In The Matter of the Application of)
Venoco Inc. for a Regular Variance)
from District Rule 206, Condition)
9.C.17 of Part 70/Permit to Operate)
7904.)

H.B. Case No. 2015-32-R

VARIANCE FINDINGS

AND ORDER

On October 20, 2015, Venoco, Inc. filed concurrently a Petition for an Interim and Regular Variance. Interim Variance Order 2015-31-I was granted on October 23, 2015 by Hearing Board Member Donald Ward, for the period of October 22, 2015 to January 19, 2016, or the date of decision of the Petitioner's request for a Regular Variance, whichever occurs first. The Regular Variance was heard on December 2, 2015 in accordance with Health and Safety Code Section 40808 with John Garnett 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 the Ellwood Onshore Facility (EOF) located approximately 14 miles west of the City of Santa Barbara, California.
4. Venoco, Inc. is the holder of Permit to Operate 7904-R10. This main facility permit authorizes the operation of equipment and processes located at EOF which receives oil, water, and gas from Platform Holly and the Seep Containment Devices located on State Coastal Lease 3242.

5. The Petitioner is required to operate an odor monitoring station (for hydrogen sulfide) as described in Table 9-7 of Part 70 Permit to Operate 7904-R10. The lease for the property where the station was located terminated on October 31, 2015 due to the property owner's recently approved development plans. The Petitioner has been aware of these development plans since 2008 and has stated that they have been working to procure a new and acceptable location. The attached map and list shows all parcels in the monitoring zone of interest that have been vetted by the Petitioner since 2009. The Petitioner states that there are no property owners in that zone willing to lease space for this activity. In recent weeks, the District initiated talks with the Superintendent of the Goleta Union School District, which oversees the Ellwood Elementary School. On November 12, 2015, Director Van Mullem and staff met with the Superintendent Banning. The Superintendent expressed a desire to keep an Odor Monitoring station in the monitoring zone of interest. He also noted an interest in leasing out space at the school property, however, that decision needs to be presented to and vetted by the Goleta Union School District Board which does not meet again until January of 2016. The District will continue to assist the Petitioner with discussions with the Superintendent and his Board. There is one other location just outside of the monitoring zone that has not been denied. It is northeast of Ellwood Onshore Facility (EOF), on the property of the Timbers Restaurant. This location will continue to be examined, despite the fact that it is not within the desired corridor extending from the EOF to Ellwood School. It appears that the Petitioner has exercised due diligence up to this point to try and remain in compliance with their monitoring requirements.
6. Without variance protection, the Petitioner would be in violation of District Rule 206, Condition 9.C.17 of Part 70 Permit to Operate 7904-R10.
7. Due to conditions beyond the reasonable control of the Petitioner, returning to compliance at this time is not possible due to the inability to find property to install and operate the monitoring station. This would result in an arbitrary or unreasonable taking of property as the Petitioner would need to close their entire facility in order to comply.
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 Petitioner has vetted all potential monitoring zone sites with no success to date.
10. There are no expected excess emissions with the granting of this Variance.
11. A nuisance as defined in District Rule 303 is not expected to occur as a result of this Variance and there is not a likely immediate threat or hazard to public health or safety.
12. 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 Ellwood Onshore Facility in violation of District Rule 206, Condition 9.C.17 of Part 70/Permit to Operate 7904 from October 22, 2015 through October 21, 2016, or the date compliance is achieved, 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 and any corrective action taken to date.
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 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