



**Santa Barbara County
Air Pollution Control District**

Our Vision  Clean Air

H.B. Case No.: 2016-05-I/2016-06-R

Petitioner: FMOG

Permit No.: 5704

Date Rec'd: 03/10/16

Time Rec'd: 17:27

Filing Fee Paid: ~~\$574~~/~~\$574~~ = \$1,148

PETITION FOR VARIANCE

Type of Variance Requested:

Emergency _____ Interim¹ X 90-Day _____ Regular X

Length of Variance Requested: Start Date 3/11/16

End Date 3/10/17

¹ A 90-Day or Regular Variance must be filed concurrently with an Interim Variance

1. PETITIONER INFORMATION

A. Please provide the name, address and phone number of the Petitioner.

Name: Freeport-McMoRan Oil & Gas, LLC
Address: 201 South Broadway
Orcutt, CA 93455
Phone Number: (805) 934-8200

B. Please provide the name, address and phone number of the person authorized to receive correspondence regarding this Petition if different from response in 1.A.

Name: Glenn A. Oliver
Address: Freeport-McMoRan Oil & Gas, LLC
201 South Broadway
Orcutt, CA 93455
Phone Number: (805) 934-8216

C. The Petitioner is (please check one):

- 1) An Individual ()
- 2) Partnership ()
- 3) Corporation ()
- 4) Public Agency ()
- 5) Other Entity (please describe) LLC (Limited Liability Company)

2. Location of equipment for which the variance is requested if different from response in 1.A.

Gaviota Oil Heating Facility (GOHF - Pt. Arguello Project)

3. List any District permits that are applicable to the equipment subject to this variance request.

PTO 5704

4. Briefly describe the equipment that is the subject of this Petition.

1. Operation and calibrations of the Cogeneration Continuous Emission Monitoring System (CEMS) as required by the CEMS Plan.
2. Operation and calibrations of the odor monitors.
3. Calibrations of process meters: fuel meters, water meters, electrical meters and oil meters are all calibrated according to a schedule as required in the APCD approved Process Monitor Calibration and Maintenance Plan.
4. Periodic process analyses
5. Quarterly visible emission inspections
6. Annual RATA and emission testing of Cogeneration System:

5. FINDINGS REQUIRED FOR THE GRANTING OF A VARIANCE

In order for the Hearing Board to grant a variance to a Petitioner authorizing the operation of a source in violation of any rule, regulation or order of the District, the Hearing Board is required to make "findings" in accordance with the requirements specified in California Health and Safety Code §42352, et. seq. and District rules and regulations. The Hearing Board's variance decision will take into consideration information you provide in this Petition. Please ensure your responses are complete and thorough. Please use additional pages as necessary.

- A. Please state 1) what District rule, regulation or order you either are or will be in violation of, and 2) the date said violation will or did occur. Include as appropriate the applicable permit conditions for which variance relief is being sought.

APCD Rule 206, PTO 5704 Conditions 9B.2, 9C.1(b), Rule 328, and the APCD approved CEMS Plan, 9C.13, 9C.15, 9C.21, the Process Monitor Calibration and Maintenance Plan, 9D.4,

- B. Please describe how compliance with the District rule, regulation or order listed in Section A above is beyond your reasonable control. In addition to any other relevant factors, please include in your discussion 1) what actions you have taken to comply or seek a variance, which were timely and reasonable under the circumstances.

The facilities in the Point Arguello Project, including the Gaviota Oil Heating Facility (GOHF) are being placed in a standby and suspended status with operating staff reduced to a minimum safe level in response to the current oil and gas business climate; at some times this may be an un-manned condition. Although no date for a return to service has been determined, it is anticipated that all of the equipment will eventually be operated again. This variance is being sought prior to the facility being placed in standby mode.

In standby mode, the cogeneration system (turbines) will not be operated except to support periodic preventive maintenance tasks to rotate mechanical components to maintain future operability. Staff reductions affect the ability to continually operate the CEMS that would monitor turbine emissions. However, the CEMS is not needed as there will be no emissions from the turbines to be monitored.

Efforts are underway to eliminate all petroleum hydrocarbons from the facility. Once this is achieved, there will be no sources of odor from hydrocarbons (tank vents or piping leaks). It is intended for the odor monitors not to be functional during this standby period and quarterly audits would not be performed. The monitors will be operating and audited prior to GOHF returning to production.

The variety of process instrumentation identified in Process Monitor Calibration and Maintenance Plan will not require calibration or maintenance during this facility standby period as the equipment will not be operated. Process fluid (gas & oil) analyses will be discontinued until a facility restart occurs. The equipment will be left in a condition that will support a return to service and it will be calibration prior to restarting.

With the turbines and CEMS in a standby status, the annual accuracy audit of the CEMS and emission tests of the turbines are not needed. This equipment will be retested within 30 days of operations being restarted.

Until all of the tanks are inert and free of hydrocarbons, the combustion flare will continue to be operational with small amounts of combusted recovered tank vapor and the flare pilot emissions each day. Once the tank system is inert, the flare and pilot will be shut down, and left in condition to restart if needed. Flare meter and gas flow meters would be idled and only calibrated prior to startup.

- C. Please describe how you would be impacted if you were required to immediately comply with the District rule, regulation or order the subject of this variance request. In addition to any other relevant factors, please discuss why such impacts would result in 1) an arbitrary or unreasonable taking of property, or 2) the practical closing and elimination of a lawful business.

The steps of putting the facility in a long-term standby mode are to preserve the capability of operating in the future. It will effectively be temporarily eliminating the sources of emissions. Requiring the operation of the CEMS, odor monitors, calibrations of meters, and annual testing would be causing emissions solely for the purpose of showing compliance.

- D. If you were required to immediately comply with the District rule, regulation or order the subject of this variance request, please describe what impact, if any, that would have on air contaminants.

Placing the facility in standby mode will eliminate most of the permitted emissions. Periodic operation of the firewater pump and turbine starter engines would occur as preventive maintenance tasks. A small amount of fugitive emissions would remain from piping still containing PUC gas – the appropriate fugitive inspection tasks will continue to be performed.

- E. Please describe what consideration you have given to curtailing of operations in lieu of obtaining a variance.

Operations at the facility will be completely curtailed. Oil shipping operations cannot resume until the AAPL segment 903 pipeline returns to operation.

- F. Please describe what steps and measures you will take to reduce excess pollutant emissions the maximum extent feasible during the requested variance period.

Variance relief would not create any excess emissions; it would actually reduce emissions.

- G. If requested to do so by the District, please describe how you will monitor or otherwise quantify and report to the District any pollutant emissions associated with the granting of your variance.

Current emission reporting procedures will be followed for any remaining operating equipment (fugitives, emergency engine, etc.).

**6. SUPPLEMENTAL FINDINGS IF APPLYING FOR AN EMERGENCY VARIANCE
PURSUANT TO RULE 506 (EMERGENCY VARIANCE FOR BREAKDOWNS)**

- A. Please provide the date and time the breakdown was reported to the District

Date: _____ Time: _____

- B. Breakdown number (as provided by the District):

- C. Please provide a description of the “breakdown condition”, including equipment involved and the cause to the extent it is known.

- D. Please describe why the continued operation of your facility in a “breakdown condition” is not likely to cause an immediate threat or hazard to public health or safety and will not interfere with the attainment or maintenance of any primary national ambient air quality standard.

7. Will the operation of the equipment subject to this variance result in violation of District Rule 303, Nuisance?

No nuisance will result from operation under a variance

8. Please state whether or not any civil or criminal case involving the equipment subject to this variance is pending any court.

No cases are pending

The undersigned is authorized to submit the above Petition on behalf of the Petitioner and further states under penalty of perjury under the laws of the State of California, that the above Petition, including any attachments and the items therein set forth, are true and correct.

DATE: 3/10/16

SIGNATURE: 

TITLE: Sr. EH&S Advisor

PRINT NAME: Glenn A. Oliver

Variance Filing Fees: All variance Petitions must be accompanied by the requisite filing fee at the time of filing or include a letter from the Petitioner on company letterhead authorizing the District to debit the filing fee from the company's reimbursable account. You may also pay your filing fees by credit card using the attached form. Current variance filing fees may be found under Rule 210, schedule F, Sections 12a and 12b at <http://www.sbcapcd.org/fees.htm>.



Freeport-McMoRan Oil & Gas
201 S. Broadway
Orcutt, CA 93455

Telephone: 805-739-9111

March 10 2016

Ms. Sara Hunt
Clerk of the Hearing Board
Santa Barbara County Air Pollution Control District
260 San Antonio Road, Suite A
Santa Barbara, CA 93110

Subject: Variance Petition for the Gaviota Oil Heating Facility

Dear Ms. Hunt:

Freeport-McMoRan Oil & Gas is submitting this petition for Gaviota Oil Heating Facility compliance management under an Interim and Regular Variance during the All American Pipeline Segment 903 shutdown. A completed petition is attached.

Please charge the Freeport-McMoRan Oil & Gas/Pt. Arguello Project reimbursable fund for the filing fees. If you have any questions, please contact me at (805) 934-8216.

Cordially,

A handwritten signature in black ink, appearing to read 'Glenn A. Oliver'.

Glenn A. Oliver
Sr. EH&S Advisor

Attachment