

 <p>Santa Barbara County Air Pollution Control District</p>	Case No / Date	2016-16-I	04/13/16
	Petitioner	FMOG	
	Permit #	PTO 9106	
	Date Rec'd	04/06/16	
	Time Rec'd	14:00	
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**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In The Matter of the Application of) Freeport McMoRan Oil & Gas for an) Interim Variance from District Rules) 328 and 206, Condition 9.C.2(c)(iv) of) Part 70/Permit to Operate 9106 and) the associated Compliance Monitoring) Plan.)	H.B. Case No. 2016-16-I VARIANCE FINDINGS AND ORDER
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Freeport McMoRan Oil & Gas filed a Petition for an Interim/Regular Variance on April 06, 2016. A hearing regarding the above-entitled matter was held on April 13, 2016, with Glenn Oliver 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 on Platform Irene located on the Outer Continental Shelf (OCS) lease tract OCS-P-0441 approximately 4 miles offshore Pt. Pedernales, California.
4. On January 6, 2016, Breakdown #11292 was reported to the District for a faulty hydrogen sulfide (H₂S) analyzer. The reported breakdown started on January 7, 2016, and was for continuous monitoring equipment. The analyzer measures H₂S in the flare gas during planned flaring events. Repair of the analyzer requires a service technician from the

manufacturer, which was scheduled for January 26, 2016. This repair was unsuccessful, creating a situation where all necessary repairs were not able to be made during the variance coverage provided in 2016-03-N. Therefore, the Petitioner filed concurrently for this Interim/Regular variance for continued relief from the above permit conditions. Due to the ongoing issues with the H₂S analyzer, the Petitioner has filed an ATC application with the District requesting an update to their Compliance Monitoring Plan. The requested change would allow an updated method for reading H₂S during these flaring events. The Petitioner will continue to monitor planned flaring events with colorimetric tubes to determine flare emissions.

5. Without variance coverage, the Petition would be in violation of District Rules 328 and 206, Condition 9.C.2(c)(iv) of Part 70/Permit to Operate 9106, and the associated Compliance Monitoring Plan.
6. Due to conditions beyond the reasonable control of the Petitioner, compliance would result in an arbitrary or unreasonable taking of property in that it would require the Petitioner to completely shut down. In addition, a shutdown would cause a loss of more than 5,000 bbls per day production.
7. Closing or taking would be without a corresponding benefit in reducing air contaminants as there are no expected excess emissions as a result of granting of this Variance.
8. The Petitioner has given consideration to curtailing operations, however, curtailing operations will not replace the missing monitoring data.
9. No excess emissions are expected as a result of granting this Variance.
10. The Petitioner will monitor the dates, hours, and all emissions related to 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 continued operation is not likely to create an 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 an Interim Variance be granted for the continued operation of Petitioner's H₂S analyzer in violation of District Rules 328 and 206, Condition 9.C.2(c)(iv) of Part 70/Permit to Operate 9106 and the associated Compliance Monitoring Plan from April 11, 2016 to July 09, 2016, or the date of decision on the Petitioner's request for a Regular Variance, whichever occurs first, with the following conditions:

1. 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.
2. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in the Order.
3. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
4. Each day during any portion of which a violation occurs is a separate offense.

DATED: April 14, 2016



David Schmarje
Santa Barbara County Air Pollution Control District
Hearing Board