



## HEARING BOARD STAFF REPORT

**TYPE:** REGULAR VARIANCE

**CASE NO:** 2016-17-R

**DATE:** June 01, 2016

### 1.0 **GENERAL INFORMATION:**

- 1.1 **PETITIONER NAME:** Freeport McMoRan Oil & Gas (FMOG)
- 1.2 **EQUIPMENT LOCATION:** Petitioner operates the equipment described in the Petition on offshore lease tract OCS-P-0441
- 1.3 **PERMIT NUMBER(S):** Part 70/Permit to Operate 9106
- 1.4 **FACILITY NAME/ID:** Platform Irene, FID 08016
- 1.5 **FACILITY DESCRIPTION:** Platform Irene is part of *The Point Pedernales* stationary source (SSID # 04632). *The Point Pedernales* stationary source consists of twelve facilities with Platform Irene being the only offshore facility. Freeport McMoRan Oil and Gas, LLC operates the facility.

- 2.0 **REASON FOR THE VARIANCE REQUEST:** On January 12, 2016, the Petitioner filed concurrently for an Interim/90-Day Variance requesting enforcement relief from the failed DelMar H<sub>2</sub>S analyzer. The analyzer measures H<sub>2</sub>S present in flare gas during planned flaring events. Proper repair of the analyzer requires a certified technician from the manufacturer and the repair was not able to be attempted until late January.

On January 19, 2016, Hearing Board Member David Schmarje heard and approved Interim Variance Order 2016-02-I. During the week of January 25, 2016, attempted repair of the analyzer was performed and subsequently unsuccessful. A scheduling conflict prevented 90-Day Variance Order 2016-03-N from being heard until February 01, 2016. At that time, David Schmarje was able to hear and approve the 90-Day Variance. The Petitioner continues to work towards a solution for repair, but according to the Petitioner, all attempts to date have been unsuccessful.

On February 11, 2016, the Petitioner filed an Authority to Construct (ATC) application with the District requesting an update to their Compliance Monitoring Plan. On March 11, 2016, the District deemed the application incomplete. The District's preference is for the continued use of the DelMar Analyzer (or equivalent device). The District will evaluate the requested change proposed by the Petitioner that would allow an updated method for reading H<sub>2</sub>S during planned flaring events. The Petitioner subsequently filed for this Interim/Regular Variance for continued relief from the conditions listed in 6.0. In the meantime, the Petitioner will continue to monitor all planned flaring events with colorimetric tubes to determine flare emissions.

- 3.0 **BACKGROUND:** A petition for Variance Order 2016-17-R was submitted on April 06, 2016. If granted, 2016-17-R would grant enforcement relief from April 11, 2016 through April 10, 2017, or the date the H<sub>2</sub>S analyzer is repaired, or the date the District approves a potential new method for monitoring H<sub>2</sub>S during planned flaring events, whichever occurs

first. A Regular Variance was requested due to the unknown timeline for the H<sub>2</sub>S Analyzer repair.

**4.0 PERMITTING HISTORY:** Since the original permitting of Platform Irene, PTO 9106 has been re-evaluated numerous times, with the most recent being in December of 2015.

**5.0 COMPLIANCE HISTORY:** The permit conditions listed in 6.0 have historically been performed in compliance with District rules and regulations.

**6.0 REGULATORY ANALYSIS:** The following permit conditions of Part 70 Permit to Operate 9106-R6 and rule requirements are applicable to the variance request:

- **Condition 9.C.2 (Combustion Equipment - Flare)**
  - (c) *Monitoring: The following monitoring conditions apply to the flare relief system:*
    - (iv) *Flare Volume H<sub>2</sub>S: The H<sub>2</sub>S concentration of planned flaring volumes shall be monitored by the Del Mar Analyzer consistent with the CEMs Plan and the Flare Gas Sulfur Reporting Plan.*
- **Condition 9.D.10 (Documents Incorporated by Reference)**
  - *The documents listed below, including any District-approved updates thereof, are incorporated herein and shall have the full force and effect of a permit condition for this operating permit. These documents shall be implemented for the life of the Project and shall be made available to District inspection staff upon request.*
    - *Fuel Gas Sulfur Reporting Plan*
- **Rule 328 (Continuous Emissions Monitoring)**
  - *Install, calibrate, operate, and maintain in good working order equipment for continuously monitoring and recording emissions from a stationary source.*

**7.0 EMISSIONS ANALYSIS:** Excess emissions are not expected as a result of granting this Variance, however, due to the non-operation of the H<sub>2</sub>S analyzer, the accuracy of the reported H<sub>2</sub>S levels (and resulting SO<sub>x</sub> emissions) may not be the same.

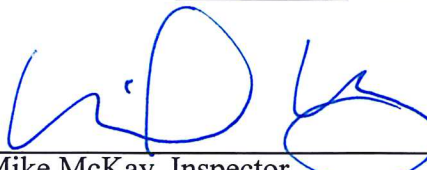
**8.0 RESERVED**

**9.0 OTHER FACTORS:** none

**10.0 DISTRICT RECOMMENDATION:** The APCD supports the Petitioner's request and recommends the granting of a Regular Variance for Freeport McMoRan as listed in the attached draft variance order.

**11.0 ATTACHMENTS:**

- Attachment 1 – Draft Regular Variance Order 2016-17-R

  
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Mike McKay, Inspector  
Compliance Division

05/17/16  
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Date