

H.B. Case No.:	<u>2016-30-R</u>
Petitioner:	<u>Exxon Mobil</u>
Permit No.:	<u>5651</u>
Date Rec'd:	<u>10/11/16</u>
Time Rec'd:	<u>12:18</u>
Filing Fee Paid:	<u>\$580.00</u>

PETITION FOR VARIANCE

Type of Variance Requested:			
Emergency	<u> </u>	Interim ¹	<u> </u>
		90-Day	<u> </u>
		Regular	<u> x </u>
Length of Variance Requested:	Start Date	<u>11/2/16</u>	
	End Date	<u>11/1/17</u>	
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: ExxonMobil Production Company
(a division of Exxon Mobil Corporation)
 Address: P. O. Box 4358
Houston, TX 77210-4358
 Phone Number: (281) 654-6317

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: Jing Wan
 Address: 12000 Calle Real
Goleta, CA 93117
 Phone Number: (805) 961-4078

C. The Petitioner is (please check one):

- 1) An Individual ()
- 2) Partnership ()
- 3) Corporation (X)
- 4) Public Agency ()
- 5) Other Entity (please describe)

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

The equipment is located at ExxonMobil's Las Flores Canyon (LFC) oil and gas processing plant. The plant is approximately 25 miles northwest of Santa Barbara, California.

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

PTO and Part 70 Operating Permit 5651

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

The onshore facilities receive the produced crude/water/gas emulsion from the offshore platforms via the 20-inch emulsion pipeline and produced gas from the platforms via the POPCO transportation system. The onshore facilities produce oil, propane, butane, and sulfur products for sale and fuel quality gas for process needs and power generation of process heat and electricity. The facilities are divided in the following areas: the Oil Treating Plant, Produced Water Treating System, Transportation Terminal, Stripping Gas Treating Plant (SGTP) and Cogeneration Power Plant (CPP). The LFC Continuous Emission Monitoring system (CEMs) has been designed to provide continuous monitoring data to the SBCAPCD Central Data Acquisition System (CDAS) to facilitate enforcement of permit conditions. The program is described in detail in the SBCAPCD-approved LFC CEMS monitoring plan which is incorporated by reference in the operating permit for the facility. Fuel Gas Analyzer AI 40622 measures the Btu content of fuel produced by the SGTP and is part of the CEMs for the facility.

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.

The facility will be in violation of APCD Permit 5651 conditions related to Rules 206, and 328. See the attached table for a detailed description of the District rules and associated permit conditions that are not necessary during the preservation period.

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.

As a result of the failure of the Plains All American Pipeline's (AAPL) Line 901 on May 19, 2015, ExxonMobil's SYU onshore and offshore facilities are temporarily suspending operations. Facility equipment is being preserved to manage its integrity over the longer term due to the uncertainty around the recommencement timing of production operations. The facility may be preserved for an extended period while AAPL reestablishes pipeline operations.

This petition requests relief from a number of conditions related to operations the Fuel Gas Btu Analyzer 40622. This analyzer normally measures Btu content of SGTP-produced gas, and is used to calculate fuel usage and emission rates from the CPP and SGTP. It is also used to determine theoretical stack flow for the CPP. Thermal Oxidizer (TO) Condition 9.C.2 also requires the continuous measurement of the Btu content of the fuel gas. ExxonMobil has already received relief from operating analyzers serving equipment that is preserved (Hearing Board Order 2016-24-R). Upon preservation of the CPP the only user of fuel gas will be the TO. ExxonMobil is submitting this petition to allow the preservation of the analyzer concurrently with the CPP.

Btu content of the fuel used by the TO is unnecessary for compliance verification. The intent of Permit Condition 9.C.2 is to verify SGTP-produced gas quality. During the preservation period, only fuel gas purchased from Southern California Gas Company is being utilized by the facility. Continuous monitoring of purchased fuel is unwarranted based on the required consistency of P.U.C. fuel. The operation, maintenance and periodic calibration of the analyzer are unnecessary until the facility is producing fuel gas.

Because the analyzer is used for equipment that is still in service, the existing variance does not allow the analyzer's preservation. ExxonMobil is requesting a variance from continuously monitoring purchased fuel quality and related conditions as described in the attached table.

ExxonMobil will continue to monitor the fuel flow rate to the TO pilots and purges, will take quarterly fuel gas samples to verify HHV of purchased fuel and will collect and analyze samples from each flare event. These enforceable requirements of PTO 5651 are adequate for demonstration of permit compliance.

Upon commencement of platform gas processing, all conditions suspended under the terms of the variance will resume as described in the current Part 70/PTO 5651.

- 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.

ExxonMobil is in compliance the rules and permit conditions cited in the attached table. This unanticipated preservation of the facility was not within ExxonMobil's control. Continuous compliance with conditions listed in the attached table is impractical during this temporary preservation period. The attached table provides further information of these conditions.

- 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.

ExxonMobil is in compliance the rules and permit conditions cited in the attached table. This unanticipated preservation of the facility was not within ExxonMobil's control. Continuous compliance with conditions listed in the attached table is impractical during this temporary preservation period. The attached table provides further information of these conditions. There is no air quality impact associated with compliance with these conditions.

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

Curtailing operations would not result in compliance and would not remove the need for a variance.

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

There will be no excess emissions associated with this variance.

- 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.

There will be no excess emissions associated with this variance.

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?

The granting of this variance will not result in injury, detriment, nuisance, or annoyance to the public, and will not endanger the health or safety of the public or cause injury or damage to business or property.

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

No case involving the equipment subject to this variance is pending in any court, civil or criminal, for which ExxonMobil is aware.

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: 10/11/16 SIGNATURE: 
TITLE: Operations Asset Manager
PRINT NAME: Jing Wan

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>.

LFC Permit (5651) Variance Petition - October 2016 - Btu Analyzer AI 40622

Area	Condition	Condition Language	Other information
Thermal Oxidizer	9.C.2(c)(iii)	ExxonMobil shall continuously monitor the purge/pilot fuel gas using HHV analyzer.	Petitioner requests relief from operating AI 40622 because only purchased PUC quality gas is used by the thermal oxidizer during preservation.
Thermal Oxidizer	9.C.2(d)	ExxonMobil shall record the emission and process parameters listed in Table I 0.3.	Petitioner requests relief from recording data from AI 40622 because only purchased PUC quality gas is used by the thermal oxidizer during preservation.
CEMS	9.C.15	ExxonMobil shall implement a CEM program for emissions and process parameters as specified in Section 4.12 and Attachment 10.1 of this permit. ExxonMobil shall implement the District-approved CEM Plan. The CEM monitors shall be in place and functional for the life of the project.	The plan calls for many process sensors to monitor continuously. Petitioner already has relief from all CEMs plan requirements for all equipment that is temporarily out of service (Hearing Board Order 2016-24-R). Petitioner is requesting similar relief from CEMs program for Btu Analyzer AI 40622 when it is only serving the thermal oxidizer fueled by PUC quality gas.
CEMS plan	Process analyzers (Fuel Btu)	Petitioner requests relief from all maintenance and calibration requirements for CEMs process analyzers for all temporarily shutdown equipment.	Petitioner already has relief from all CEMs plan requirements for all equipment that is temporarily out of service (Hearing Board Order 2016-24-R). Petitioner is requesting similar relief from CEMs program for Btu Analyzer AI 40622 when it is only serving the thermal oxidizer fueled by PUC quality gas.
Process Monitoring	9.C.16	All LFC facility process monitoring devices listed in Section 4.12 of this permit shall be properly operated and maintained according to manufacturer recommended specifications. ExxonMobil shall implement the District approved Continuous Emissions Monitoring Plan for the life of the project. This Plan details the manufacturer recommended maintenance and calibration schedules.	Petitioner already has relief from all process monitoring, operation and calibration requirements for all equipment that is temporarily out of service (Hearing Board Order 2016-24-R). Petitioner is requesting similar relief from CEMs program for Btu Analyzer AI 40622 when it is only serving the thermal oxidizer fueled by PUC quality gas.

ExxonMobil Production Company
U.S. Production - Santa Ynez Unit
P.O. Box 1207
Goleta, California 93116-1207



ExxonMobil
Production

October 11, 2016

Petitions for Regular Variances
Permits 5651 and 8092

Ms. Sara Hunt
Santa Barbara County
Air Pollution Control District
260 N. San Antonio Road, Suite A
Santa Barbara, California 93110-1315

Dear Ms. Hunt:

Attached please find the referenced Regular Variance Petitions for ExxonMobil's Las Flores Canyon and Pacific Offshore Pipeline (POPCO) facilities. These petitions are related to permit conditions which are not feasible to meet as a result of the All American Pipeline failure. We understand that the variances, if granted, will provide protection from violations of these conditions.

Please instruct the SBCAPCD to charge the applicable filing fees to ExxonMobil's reimbursable agreement with the District. If you have any questions or need further information, please contact Patrice Surmeier at (805) 961-4297 or at patrice.a.surmeier@exxonmobil.com.

Sincerely,

A blue ink handwritten signature, appearing to be "Jing Wan", written over a horizontal line.

Jing Wan
Asset Manager

Santa Ynez Unit Project
ExxonMobil Production Company
(a division of Exxon Mobil Corporation)

Attachment
JW:pas

cc: Mike McKay, SBCAPCD