



H.B. Case No.:	<u>2016-31-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>1/1/2017</u>	
	End Date	<u>12/31/17</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).

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 325. See the attached table for a detailed description of the District rules and associated permit conditions that the facility cannot or are impractical to meet 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 Line (AAPL) 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 compliance testing that is either infeasible or unwarranted during this period. The APCD has postponed the source test requirements for the CPP and the SGTP equipment for the period between June 2015 through December 2016 as provided by Condition 9.C.12(e). However due to the extended nature of this event, a variance petition is being submitted to clarify the situation for the ongoing source testing obligations. This petition is submitted separately but concurrently with a petition covering other LFC conditions because the proposed final compliance dates differ.

This petition requests relief from compliance testing of the CPP and the SGTP which are not currently in operation and cannot be tested. The EQ Tank is in use and could be tested however testing is not warranted. Normally the tank contains produced and ancillary water which may contain organic liquids. The exhaust of the tank is routed to a venturi scrubber followed by two carbon canisters in parallel. During the preservation period there is no process water generated and this vessel will be used to store any ancillary water from sources such rain and wash down. SBAPCD requested that 2016 source testing be completed to demonstrate potential emission during the preservation period. Source test results were 0.00004 lb/hr Total Reduced Sulfur and 0.002 lb/hr ROC. Because of the low possibility of hydrocarbons in this water and the very low emissions, ExxonMobil is seeking relief from testing this source during the preservation period.

ExxonMobil is requesting a variance to allow the suspension of compliance testing as specified in the attached table until the facility returns to normal operations. Within 180 days 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 has no means of immediately complying with certain rules and permit conditions cited in the attached table. Other conditions are impractical to comply with during this temporary preservation period. The attached table provides further information of these conditions. This unanticipated shut down of the facility was not within ExxonMobil's control.

- 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 has no means of immediately complying with certain rules and permit conditions cited in the attached table. Other conditions are impractical to comply with during this temporary preservation period. The attached table provides further information of these conditions. This unanticipated shut down of the facility was not within ExxonMobil's control.

- 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.

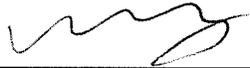
7. Will the operation of the equipment subject to this variance result in violation of District Rule 303, Nuisance?

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- Source Testing

Area	Condition	Condition Language	Other information
CPP	9.C.1(c)	ExxonMobil shall perform annual source testing of the CPP consistent with the requirements listed in Table 4.5 and the source testing condition of this permit.	Petitioner requests relief from source tests for all equipment that is temporarily not in service until 6 months after resumption of platform processing gas.
Tanks/Sumps/ Separators	9.C.6(c)(iv)	On an annual basis, ExxonMobil shall source test the venturi scrubber to determine the control efficiency.	Petitioner requests relief from source testing the EQ tank venturi scrubber until 6 months after resumption of platform processing gas. This tank will be in service during the preservation period but will primarily be storing rain and wash down water.
WGI/SRU	9.C.8(c)	ExxonMobil shall perform annual source testing of the WGI consistent with the requirements listed in Table 4.6	Petitioner requests relief from source tests for all equipment that is temporarily not in service until 6 months after resumption of platform processing gas.
Source Testing	9.C.12 (a)	ExxonMobil shall conduct source testing of air emissions and process parameters listed in Section 4.13 and Tables 4.5, 4.6 and 4.7 of this permit.	Petitioner requests relief from source tests until 6 months after resumption of platform processing 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,

**Jing Wan
Asset Manager**

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

Attachment
JW:pas

cc: Mike McKay, SBCAPCD