



**Santa Barbara County  
Air Pollution Control District**

H.B. Case No.:	<u>2016-33-R</u>
Petitioner:	<u>ExxonMobil</u>
Permit No.:	<u>8092</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

<b>Type of Variance Requested:</b>			
Emergency	<u>                    </u>	Interim <sup>1</sup>	<u>                    </u>
		90-Day	<u>                    </u>
		Regular	<u>    X    </u>
Length of Variance Requested:	Start Date	<u>1/1/17</u>	
	End Date	<u>12/31/17</u>	
<sup>1</sup> 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 POPCO's 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 Permits 8092*

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

*POPCO's Las Flores Canyon Gas Treatment Plant is a natural gas sweetening process and sulfur recovery unit (SRU). The purpose of this process is to remove H<sub>2</sub>S and CO<sub>2</sub> from natural gas. The H<sub>2</sub>S is removed from natural gas and converted into elemental sulfur by the SRU. Any residual H<sub>2</sub>S contained in the SRU tail gas is incinerated and converted to SO<sub>2</sub> in one of the two 40 MMBTU/hr boilers, which are located downstream of the SRU. The boilers, Waste Water Tank T-601, Sulfur Recovery Unit and the Stretford oxidizer tanks are located within the facility and are subject to periodic compliance testing.*

#### 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 8092 Conditions related to Rules 206 and 342. See the attached table for a detailed description of the permit conditions that the facility cannot or are impractical to meet until the facility resumes natural gas processing.*

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. On June 16, 2015 incoming platform gas to the POPCO facility terminated and on June 24, 2015 operations began depressurizing the facility. The boilers have not been in service since July 22, 2015. 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 compliance testing conditions that are either infeasible or unwarranted during this period. The APCD has already postponed the source test requirements for all POPCO equipment for the period between June 2015 through 2016 as provided by Condition C.18(h). However due to the extended nature of this preservation, a variance petition is being submitted to clarify the situation. This petition is submitted separately but concurrently with a petition covering other POPCO conditions because the proposed final compliance date differs.*

*This petition requests relief from compliance testing of the boilers, the sulfur recovery unit and the Stretford unit oxidizer tanks which are not currently in operation and cannot be tested. Tank T-601 is in use and could be tested however it is not warranted. Normally the tank stores water which may contain small amounts of organic liquid. The exhaust of the tank is routed to two carbon canisters in series. The last two source tests measured an average emissions of 0.4 ppm H<sub>2</sub>S and less than 0.00003 lb/hr ROC. During the preservation period this vessel will store water from sources such as rain and wash down which are unlikely to contain significant organics. Because of the even lower possibility of hydrocarbons in this water during preservation, ExxonMobil is seeking relief from testing this source.*

*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 90 days of platform gas processing, all conditions suspended under the terms of the variance will resume as described in the current Part 70/PTO 8092.*

- 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 Petitioner 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 state 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.

*The Petitioner has no means of immediately complying with certain rules and permit conditions cited in the attached table. Conditions related to testing Tank T-601 have no air quality benefit during the preservation period. The attached table provides further information of these conditions. This unanticipated state 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>.

## POPCO Permit (8092) Variance Petition - October 2016 - Source Tests

Area	Condition	Condition Language	Other information
Utility Boilers	9.C.1(c)(iii)	POPCO shall source test the Utility Boilers according to the Source Testing condition in this permit.	Petitioner requests relief from source tests for all equipment that is temporarily not in service until 3 months after resumption of platform processing gas.
Wastewater tank T-601	9.C.5(b)(v)	The source test condition 9.C.18 shall be adhered to with regards to the Wastewater Tank T-601.	Petitioner requests relief from source tests for T-601 until 3 months after resumption of platform processing gas.
Stretford Unit Oxidizer Tanks	9.C.7(c)(ii)	To ensure that hydrocarbon emissions associated with carry-under of hydrocarbons from the Beavon Tailgas into the Stretford unit oxidizers are within permitted limits, POPCO shall source test the tanks on a triennial basis.	Petitioner requests relief from source tests for all equipment that is temporarily not in service until 3 months after resumption of platform processing gas.
Source Testing	9.C.18(a)	POPCO shall conduct source testing of air emissions and process parameters listed in Section 4.12 and Tables 4.13, 4.14 and 4.15 of this permit. Source testing shall be performed at the frequency specified in Table 4.13 using May-June as the anniversary date for the utility boilers and the SRU.	Petitioner requests relief from source tests for all equipment until 3 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](mailto: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