



**Santa Barbara County
Air Pollution Control District**

Our Vision  Clean Air

H.B. Case No.: 2017-01-A
Petitioner: Exxon Mobil
Permit No.: 5651
Date Rec'd: 01/10/17
Time Rec'd: 12:41
Filing Fee Paid: \$580.00

PETITION FOR VARIANCE

Type of Variance Requested:

Emergency _____ Interim¹ _____ 90-Day _____ Regular x

Length of Variance Requested: Start Date 2/1/17

End Date 1/31/18

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 Permits 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 generation of process heat and electricity. The facilities are divided into the following areas: the Oil Treating Plant, Produced Water Treating System, Transportation Terminal, Stripping Gas Treating Plant (SGTP) and Cogeneration Power Plant (CPP).

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 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 (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.

Preservation activities are nearing completion and this petition is requesting relief from a number of conditions related to the proposed preservation state of this equipment.

Rerun Tanks A & B (ABJ-1401A and ABJ 1401-B) have been drained of oil and water via the main outlet valve. The tanks are currently being purged with nitrogen with 2.3 times the physical volume of the tanks following the APCD-approved Purging/Degassing Plan. Following degassing, we are proposing to no longer incinerate any headspace gas which is displaced from the tanks. The vapor recovery line will remain intact and, should breathing occur, the vapors would be directed via this line to the atmosphere at the unlit flare. Breathing will be limited due to planned changes to the tank's vapor control system. We propose to increase the operating pressure of the tanks which will reduce the use of N2 makeup gas and will also reduce the potential for breathing. In the current configuration a control valve would relieve pressure from the rerun tanks to flare at 1.0 psig. This setpoint will be increased, within the design limitations of the tank, to allow the tank to operate at a higher pressure before it opens to the vapor recovery line. Based on modelling, the pressure increase on the rerun tanks due to expected ambient temperature changes will be below the new operating pressure limit. This will create essentially a closed system for the rerun tanks allowing the vapor space to increase and decrease in pressure during the day and night temperature fluctuations without breathing. This reduces the usage of nitrogen blanket gas during preservation. All protective pressure relief devices will remain functional and unmodified as a precaution. ExxonMobil is requesting a variance to allow the suspension of certain permit requirements related to the preservation of the rerun tanks as specified in the attached table. The tanks will remain in this preserved state until gas processing recommences. At that time, any modified valves or set points will be returned to their previous state and all conditions related to the operation of the rerun tanks will resume as specified in the permit.

The remaining fluid in the OTP Oily Sludge Thickener (ABJ-1423), the OTP Backwash Sump (ABH-1442), and the OTP Backwash Collection Tank will be treated with biocide to prevent corrosion. The vessels will then be degassed with nitrogen and, similar to the Rerun tanks, will be left in a static condition with slightly higher operating pressures and tied to the nitrogen blanket system. Pressure changes due to ambient temperature fluctuations are not expected to reach the new set point, however the vapor recovery lines will remain intact and, should breathing occur, the vapors would be directed via the line to the atmosphere at the unlit flare. All protective pressure relief devices will remain functional and unmodified as a precaution. The tanks will remain in this preserved state until gas processing recommences. At that time, any modified valves or set points will be returned to their previous state and all conditions related to the operation of the rerun tanks will resume as specified in the permit.

The Anaerobic Filters (AF) will be treated with biocide to stop generation of H2S by bacteria normally used in the anaerobic water treatment process. The vessel will be degassed using nitrogen and then maintained with a slight nitrogen sweep, which will enter the vapor recovery line and will be emitted to the atmosphere at the unlit flare.

The TT Area Drain Oil/Water Separator, OTP Area Drain Oil/Water Separator, SGTP Area Drain Oil/Water Separator, OTP Open Drain Sump, and SGTP Open Drain Sump will only be in service for any ancillary water from sources such as rain and wash down. Therefore, the required monthly carbon canister ROC emission measurements are not warranted. The petitioner requests to measure the carbon canisters ROC emissions annually.

The Equalization Tank will be in use to store any ancillary water from sources such as rain and wash down. Normally the tank contains produced water from the oil emulsion and may contain organic liquids. The exhaust of the tank is routed to a venturi scrubber followed by two carbon canisters in parallel. Testing performed during 2016 while preservation activities were still in progress indicated extremely low emissions (0.00004 lb/hr Total Reduced Sulfur and 0.002 lb/hr ROC). The Board has already granted relief from further testing of this source during the preservation period. Because of the low possibility of hydrocarbons in this water and the very

low emissions, the required weekly carbon canister ROC emission measurements and caustic solution concentration monitoring are not warranted. The petitioner requests to measure the carbon canisters ROC emissions and the caustic solution concentration semi-annually.

ExxonMobil is requesting a variance to allow the suspension of conditions as specified in the attached table until the facility returns to normal operations. 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.

These 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.

These 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.

- 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.

The paragraphs above describe the preservation efforts undertaken which will reduce any emissions related to this preserved equipment. Any minor emissions related to tank breathing will be within the permitted limit for the tank.

- 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.

It is not anticipated that the preserved tanks will relieve to the atmosphere. In the unexpected event that one of the tanks does relieve via the vapor recovery line to the unlit flare, the majority of the gas emitted would be nitrogen. Emissions associated with the minor ROCs contained in the nitrogen blanket gas will be calculated by measuring the tank headspace ROC content using gas chromatography once and using the gas flowrate from release based on the valve position and length of the relief.

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: 1/10/17 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 4

Area	Condition	Condition Language	Other Information
VR & GC	9.C.3(b)(i)	The vapor recovery and gas collection (VR & GC) systems at LFC shall be in operation when equipment connected to these systems are in use.	Petitioner requests relief from this condition for the anaerobic filters due to the preservation of the filters.
Tanks/ Sumps/ Separators	9.C.6 (b)	All process operations from the Group A and Group B equipment listed in this section shall meet the requirements of District Rule 325, Sections D, E, F and G.	Due to the Rerun Tanks, OTP Oily Sludge Thickener, OTP Backwash Sump, and OTP Backwash Collection Tank preservation, the petitioner requests relief from Rule 325 Sections D, E and F for this equipment.
Tanks/ Sumps/ Separators	9.C.6(b)(i)	The vapor recovery and gas collection (VR & GC) systems at LFC shall be in operation when equipment connected to these systems are in use.	Due to the Rerun Tanks, OTP Oily Sludge Thickener, OTP Backwash Sump, and OTP Backwash Collection Tank preservation, the petitioner requests relief from this requirement.
		Except as provided below, for each carbon canister control unit, monitor on a monthly basis the ROC emission concentration (as methane) at the outlet of each unit using a calibrated organic vapor analyzer (OVA) or other Method 21 approved analyzer. For the carbon canister control units on the Equalization tank, monitor on a weekly basis the ROC emission concentration (as methane) at the outlet of each unit using a calibrated organic vapor analyzer (OVA) or other Method 21 approved analyzer. ExxonMobil shall follow the requirements of the District approved Carbon Canister Monitoring and Maintenance Plan. ExxonMobil shall implement the approved Plan for the life of the project.	During the preservation period, the TT/OTP/SGTP Area Drain Oil/Water Separator and the OTP/SGTP Open Drain Sump will only receive water from sources such as area drains and rain. The petitioner requests relief from monthly ROC emission measurements. Annual measurements of the carbon canisters will be taken until facility resumes processing platform gas.
Tanks/Sumps/ Separators	9.C.6(c)(iii)		Similarly, the equalization tank will also only receive water from sources such as area drains and rain. The petitioner requests relief from weekly ROC emission measurements. Semi-annual measurements will be taken until facility resumes processing platform gas.
			The petitioner is requesting relief from the measurement frequency specified in the Carbon Canister Monitoring and Maintenance Plan to align with the frequency stated above.
Tanks/Sumps/ Separators	9.C.6(c)(iv)	For the venturi scrubber, on a weekly basis monitor the concentration of the caustic solution in the scrubber.	The equalization tank will only receive water from sources such as area drains and rain. The petitioner requests relief from weekly caustic solution concentration measurements. Semi-annual measurements will be taken until facility resumes processing platform gas.
Tanks/ Sumps/ Separators	9.C.6(c)(vii) 9.C.6(d)(vii)	For the Group A Rerun tanks, no less than 24 hours after a PSV event, measure the Reid vapor pressure and storage temperature of the liquid according to District-approved methods. In addition, for the Group A Rerun tanks, measure the vapor pressure and storage temperature of the liquid according to the methods prescribed in Rule 325.G.2. at least once per year. Log all vapor pressure and temperature readings.	Testing of liquids following a PSV release is normally related to determining if high volatility material has been added to a tank. Any PSV release during the preservation period would be related to a severe ambient temperature event not any residual liquid in the tank. For this reason, the petitioner requests relief from annual testing and post PSV event testing and any recordkeeping related to this testing during preservation period.
Documents incorporated by Reference	9.C.36 (i)	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.	The petitioner is requesting relief from elements of the Carbon Canister Monitoring and Maintenance Plan as identified in other sections of this petition.

LFC Permit (5651) Variance Petition - February 2017

APCD Rule	Title	Applicability	Section Heading	Section	Rule Language	Reason for Petition
325	Crude Oil Production and Separation	Return Tanks, OTP Oily Sludge Thickener, OTP Backwash Sump, OTP Backwash Collection Tank	D. Requirements for Storage Tanks	D.1.b.	No person shall place, hold or store any crude oil in any tank battery unless all storage tanks in the tank battery, including wash tanks, produced water tanks and wastewater separators, are equipped with a leak-free, properly installed, maintained, and operated vapor recovery system.	Petitioner is requesting relief from maintaining vapor recovery on the tanks. The return tanks have been drained of oil and nitrogen flushed with 2.3 times the physical volume of the tank. A nitrogen positive pressure blanket will be maintained on the tanks. Minimal, if any, emissions are anticipated from tanks during breathing related to atmospheric temperature induced thermal expansion. The oily sludge thickener, OTP backwash sump, and OTP backwash collection tank will be inhibited with biocide and purged with nitrogen.
325	Crude Oil Production and Separation	Return Tanks, OTP Oily Sludge Thickener, OTP Backwash Sump, OTP Backwash Collection Tank	E. Requirements for Produced Gas	E.1.b	The emissions of produced gas shall be controlled at all times using a properly maintained and operated system that directs all produced gas, except gas used in a tank battery vapor recovery system to one of the following: A flare that combusts reactive organic compounds.	Petitioner is requesting relief from maintaining vapor recovery on the tanks. The return tanks have been drained of oil and nitrogen flushed with 2.3 times the physical volume of the tank. A nitrogen positive pressure blanket will be maintained on the tanks. Minimal, if any, emissions are anticipated from tanks during breathing related to atmospheric temperature induced thermal expansion. The oily sludge thickener, OTP backwash sump, and OTP backwash collection tank will be inhibited with biocide and purged with nitrogen.
325	Crude Oil Production and Separation	Return Tank	F. Requirements - Recordkeeping	F.4.b	The operator shall maintain the following records annually: The maximum vapor pressure of the liquid.	The return tanks have been drained through the main outlet line on the tanks. It is not feasible to retrieve a sample from the tank during the preservation period. Petitioner is requesting relief from sampling and analyzing the maximum vapor pressure of the return tanks annually.

ExxonMobil Production Company

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



January 10, 2017

Petition for Regular Variance
Permits 5651, 9100, 9101, 9102

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, Platform Hondo, Platform Harmony, and Platform Heritage facilities. These petitions are related to permit conditions which cannot be met during the preservation period. 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