



## HEARING BOARD STAFF REPORT

**TYPE:** REGULAR VARIANCE

**CASE NO:** 2017-01-R

**DATE:** February 01, 2017

### 1.0 **GENERAL INFORMATION:**

- 1.1 **PETITIONER NAME:** ExxonMobil Production Company (ExxonMobil)
- 1.2 **EQUIPMENT LOCATION:** Petitioner operates the equipment described in the Petition at 12000 Calle Real, Goleta, CA
- 1.3 **PERMIT NUMBER(S):** Part 70/Permit to Operate 5651
- 1.4 **FACILITY NAME/ID:** Las Flores Canyon, FID 01482
- 1.5 **FACILITY DESCRIPTION:** The Las Flores Canyon (LFC) Oil and Gas Processing Plant is part of the *Exxon – Santa Ynez Unit (SYU) Project* stationary source (SSID # 01482). The *Exxon – SYU Project* stationary source consists of five facilities: Platform Harmony (FID 08018), Platform Heritage (FID 08019), Platform Hondo (FID 08009), Las Flores Canyon Oil and Gas Plant (FID 01482), and POPCO Gas Plant (FID 03170). ExxonMobil Production Company (ExxonMobil), an unincorporated division of Exxon Mobil Corporation, owns and operates the facility. The LFC facility currently includes a gas turbine, a heat recovery steam generator, oil storage tanks, a waste gas incinerator, various sumps, pumps and compressors, a pig receiver, a thermal oxidizer, three diesel-fired water pump engines, and fugitive components.

- 2.0 **REASON FOR THE VARIANCE REQUEST:** As a result of the Plains All American Pipeline (AAPL) Line 901 failure on May 19, 2015, ExxonMobil experienced facility impacts. Due to these impacts, SYU onshore and offshore facilities are temporarily ceasing operations. On June 16, 2015 incoming platform gas was terminated. Preservation plans for the facility are still in progress. Line 901 remains shutdown and Plains continues to work with local and federal agencies to understand the nature of the failure and repair options. At this time, it is unclear when the restart of the facility may occur. Since the facility is not in operation, the Petitioner is requesting coverage from performing measurement and/or recordkeeping of process parameters that do not exist during this extended shutdown; disconnecting vapor recovery from Rerun Tanks A & B, the OTP Oily Sludge Thickener, the OTP Backwash Sump, and the OTP Backwash Collection Tank, as well as reducing the monthly carbon canister monitoring to annual monitoring for the TT and SGTP Area Drain Oil/Water Separator, OTP Area Drain Oil/Water Separator, and OTP and SGTP Area Drain Sumps. Any emissions related to the granting of this variance are expected to be within permitted limits.

- 3.0 **BACKGROUND:** A Petition for Variance Order 2017-01-R was submitted on January 10, 2017 by ExxonMobil Production Company. If granted, 2017-01-R would grant enforcement relief from February 01, 2017 through January 31, 2018, or the date the facility resumes processing platform gas, whichever occurs first. A Regular Variance was requested due to the unknown timeline for the AAPL repair.

- 4.0 **PERMITTING HISTORY:** The LFC facility was originally permitted under ATC 5651 in November of 1987. Since that time, ATC 5651 was modified numerous times. The District Permit to Operate for LFC was issued in January of 1999.
- 5.0 **COMPLIANCE HISTORY:** Historically, the conditions described in Section 6.0 have not been violated.
- 6.0 **REGULATORY ANALYSIS:** The following permit conditions of Part 70 Permit to Operate 5651 and rule requirements are applicable to the variance request:
- **Condition 9.C.3 (Fugitive Hydrocarbon Emissions Components)**
    - *b. Operational Limits: Operation of the equipment listed in this section shall conform to the requirements listed in District Rule 331.D and E. Compliance with these limits shall be assessed through compliance with the monitoring, recordkeeping and reporting conditions in this permit. In addition ExxonMobil shall meet the following requirements:*
      - *i. VRS Use - The vapor recovery and gas collection (VR & GC) systems at LFC shall be in operation when equipment connected to these systems are in use. These systems include piping, valves, and flanges associated with the VR & GC systems. The VR & GC systems shall be maintained and operated to minimize the release of emissions from all systems, including pressure relief valves and gauge hatches.*
  - **Condition 9.C.6 (Tanks/Sumps/Separators)**
    - *b. Operational Limits: 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. All process operations from the Group D equipment listed in this section shall meet the requirements of District Rule 326, Sections D, I, J and K. All process operations from the Group A equipment shall comply with the requirements of NSPS Subpart Kb. All process operations from Groups A, B, C and D shall comply with the BACT requirements listed in Tables 4.1 and 4.2. Compliance with these limits shall be assessed through compliance with the monitoring, recordkeeping and reporting conditions in this permit. In addition, ExxonMobil shall:*
      - *i. VRS Use - The vapor recovery systems shall be in operation when the equipment connected to the VRS system at the facility are in use. The VRS system includes piping, valves, and flanges associated with each VRS system. Each VRS system shall be maintained and operated to minimize the release of emissions from all systems, including pressure relief valves and gauge hatches.*
    - *c. Monitoring: The equipment listed in this section are subject to all the monitoring requirements of District Rule 325.H (for Group A and B units), NSPS Subpart Kb (for Group A units) and Table 10.3 for the life of the project. The test methods outlined in District Rule 325.G, NSPS Subpart Kb and District Rule 326.K shall be used, as applicable. In addition, ExxonMobil shall:*
      - *iii. 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.*

- iv. For the venturi scrubber, on a weekly basis monitor the concentration of the caustic solution in the scrubber. If the concentration of the caustic solution in the scrubber is less than 8%, monitor the outlet concentration of hydrogen sulfide from the scrubber. On an annual basis, ExxonMobil shall source test the venturi scrubber to determine the control efficiency. Source testing shall be performed in accordance with the Source Testing condition of this permit.
      - vii. For the Group A Oil Storage tanks, no less than three (3) days per week, measure the Reid vapor pressure and storage temperature of the liquid according to District-approved methods. In addition, for the Group A Oil Storage 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. 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. For the Group D units, measure the vapor pressure and storage temperature according to the methods prescribed in Rule 325.G.2. on an annual basis and each time a different demulsifier agent product is used.
    - d. Recordkeeping: The equipment listed in this section is subject to all the recordkeeping requirements listed in District Rule 325.F (for Group A and B units), NSPS Subpart Kb (for Group A units) and Table 10.3. ExxonMobil shall maintain hardcopy records for the information listed below:
      - vii. For the Group A and D units, log all Reid vapor pressure and temperature readings of the liquid stored as well the corresponding true vapor pressure values. Log all changes in demulsifier agents used and maintain a copy of the MSDS sheet for the new agent with the log. Vendor RVP and TVP data will be accepted for Group D units.
- **Condition 9.C.36 (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 SYU Project and shall be made available to District inspection staff upon request.
    - 1. Carbon Canister Monitoring and Maintenance Plan (approved 2/5/2001)
- **Rule 325 (Crude Oil Production and Separation)**
  - D (Requirements for Storage Tanks)
    - 1. 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. The vapor disposal portion of the vapor recovery system shall consist of one of the following:
      - b. Any other system which processes all vapors and has a reactive organic compound vapor removal efficiency of at least 90% by weight.
  - E (Requirements for Produced Gas)
    - 1. 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:
      - b. A flare that combusts reactive organic compounds.

- *F (Requirements – Recordkeeping)*
  - 4. *The operator shall maintain the following records annually:*
    - b. *The maximum vapor pressure of the liquid*

7.0 **EMISSIONS ANALYSIS:** Any emissions related to the granting of this variance are expected to be within permitted limits. The only devices with expected emissions are the Anearobic Filters, which the Petitioner estimates as the following: 0.0057 lb ROC/hr per tank and 0.0001 lb H2S/hr per tank.

8.0 **RESERVED**

9.0 **OTHER FACTORS:** none

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

11.0 **ATTACHMENTS:**

- Attachment 1 – Draft Regular Variance Order 2017-01-R

  
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Mike McKay, Inspector  
Compliance Division

01/18/17  
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Date