



**Santa Barbara County
Air Pollution Control District**

Our Vision  Clean Air

H.B. Case No.: 2017-02-R

Petitioner: ExxonMobil

Permit No.: 9100

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 2/1/2017

End Date 1/31/2018

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 on ExxonMobil's Platform Hondo which is located in the Santa Ynez Unit on OCS lease tract P-0188 approximately 25 miles west of the City of Santa Barbara. The platform is situated in the Southern Zone of Santa Barbara County.

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

PTO and Part 70 Operating Permit 9100

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

Platform Hondo is an oil and gas production platform permitted by the District under Part 70/Permit to Operate (PTO) 9100-R5. Primary oil emulsion and gas separation takes place on Platform Hondo. The platform production equipment includes wells, pressure vessels, shipping pumps, transfer pumps, gas compressors, tanks, a glycol regenerator, a glycol contactor, a HP and LP flare, sumps, gas heat exchangers, and coolers and pipeline pigging equipment. Production from the platform is commingled with Heritage and Harmony production and shipped to ExxonMobil's onshore processing facilities located in Las Flores Canyon. The majority of the produced gas from platform Hondo is treated at the Pacific Offshore Pipeline Company (POPCO) Gas Processing Plant, which is operated by ExxonMobil.

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 9100 conditions related to Rules 206, 325, and 359. 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 facility preservation.

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's) Line 901 on May 19, 2015 ExxonMobil's SYU onshore and offshore facilities are temporarily suspending operations. Facility equipment is 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 that are infeasible or impractical to meet during this period. Upon resumption of well production, all conditions suspended under the terms of this variance will resume as described in the current Part 70/PTO 9100.

Now that preservation activities are complete, continuous flare operation is no longer necessary until well production recommences. The flare is shut down and is essentially in a standby mode. Process equipment has been drained, flushed, and purged to remove residual hydrocarbons and sulfur compounds. Some equipment is open to the atmosphere and others have been preserved with a nitrogen blanket at pressures significantly below normal operating pressures. No flaring from this equipment should be necessary during the preservation period.

The wells have been isolated and the casing pressures are monitored routinely in order to comply with the Bureau of Safety and Environmental Enforcement (BSEE) regulations and remain within the casing pressure limits on the wells. It has been necessary to occasionally depressure accumulated gas in some of the well casings to the flare. Prior to this periodic flaring, the flare is placed back in service by igniting the pilots. A small pipe (typically ¼ inch diameter) is used to bleed casing gas to the flare until the casing pressure returns to the appropriate range as specified by BSEE.

The flare must be in this standby mode so that it can be placed back in service during these short flare periods throughout preservation. During this period, flare flow from any expected casing pressure adjustments is very small. The flare flow is normally measured by one of three flow meters. Each meter covers a different flow range. The low range meter does not read low enough to measure the flow from these events. For this reason, EM is proposing to calculate flow from any flare event using standard engineering calculations instead of maintaining the flare flow meter, which is not providing useful information. The minor emissions related to the possible flaring will be reported following the requirements of the permit and are well within the permitted limit for flaring.

ExxonMobil is requesting a variance to allow the suspension of certain permit requirements related to the operation of the flare while it remains in a standby condition. These conditions are specified in the attached table. These conditions are related to record keeping while the flare is in the standby mode and also periodic calibration of the flare flow meters, which are not within the range of the anticipated flare events.

This petition also requests relief from a number of conditions that are related primarily to the measurement, recordkeeping, and/or reporting of process parameters that do not exist during preservation. These conditions are specified in the attached table. Under normal operations these conditions would be temporarily suspended without variance during regular maintenance periods when, similarly, process streams are not available. However, due to the extended nature of this event, a variance petition is being submitted to clarify the situation.

- 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 shutdown period. The attached table provides further information of these conditions. This unanticipated shut down of the facility was not within our 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 shutdown period. The attached table provides further information of these conditions. This unanticipated shut down of the facility was not within our 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.

Minor emissions related to the possible flaring will be within the permitted limit for flaring.

- 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.

Volume of gas will be calculated using standard engineering calculations and the minor emissions related to the possible flaring will be reported following the requirements of the permit.

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: 1/10/2017 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>.

PTO 9100 - Hondo Variance Petition

Area	Condition	Condition Language	Other Information
Flare	9.C.2.c.i	Flare Volumes - Unplanned flaring shall be monitored on an aggregate basis and shall be the difference between the total flare volume and the volume of gas flared during planned flaring events. The meters shall be calibrated and operated consistent with ExxonMobil's District approved Process Monitor Calibration and Maintenance Plan.	The Hondo flare is preserved and petitioner requests relief from monitoring preserved flow lines. However, as described in the Petition Section B.5 the flare is periodically needed to combust gases accumulated from well casing pressure build up. The petitioner requests that calibration and maintenance for the flare meters FE-1110-2 (Low Volume Flare Flow), FE-1110-2 (High Volume Flare Flow), FE-1110-3 (Compressor Seal Vent Flow) & FE-1141 (Low Pressure Vent Scrubber) be suspended during the preservation period. The Low Volume Flare Flow meter (FE-1110-2) does not read low enough to measure the flow from these events and is not providing useful information. For this reason, EM is proposing to calculate flow from any flare event using standard engineering calculations instead of maintaining the flare flow meters.
Flare	9.C.2.c.ii	Purge/Pilot Gas - ExxonMobil shall continuously monitor the purge/pilot fuel gas using gas detector tubes (or District-approved equivalent). ExxonMobil shall record in a log the results of each gas detector tube reading. ExxonMobil shall also perform annual total sulfur content and HHV measurements of the fuel gas.	This condition is related to the measurement of flare pilot and purge fuelgas (not propane). During preservation only propane will be used for any necessary flare pilots and any purge is now nitrogen. Petitioner requests relief from specific monitoring and measurements for purge/pilot fuel gas which is not being used.
Flare	9.C.2.c.1.iii	Flaring Sulfur Content - On an annual basis, ExxonMobil shall also measure the non-hydrogen sulfide reduced sulfur compounds.	Petitioner requests relief from specific monitoring and measurements when the equipment is temporarily not in service. The sampling is performed on the discharge line from the SL compressors, which normally operates at 1000 psi, but currently is not in service and the line is nitrogen purged.
Flare	9.C.2.c.iv	ExxonMobil shall continuously monitor each pilot to ensure that a flame is present at each pilot at all times.	The flare pilots will be preserved except if needed to flare gases accumulated from well casing pressure build up. Petitioner requests relief from specific monitoring for the flare while temporarily preserved. When the pilots are lit, this condition will be met.
Flare	9.C.2.d.i - 9.C.2.d.v	Recordkeeping: (i) Flare Event Logs - The volumes of gas combusted and resulting mass emissions of all criteria pollutants for each type of event shall also be summarized for a cumulative summary for each day, quarter and year. (iii) Pilot/Purge Gas Volume - The volume of pilot/purge fuel gas combusted in the flare shall be recorded on a weekly, quarterly and annual basis.	Petitioner requests relief from specific recordkeeping for equipment temporarily preserved. Recordkeeping conditions will be met when pilots are lit.
Fugitive Hydrocarbon Emission Components	9.C.3.b.i	VNS Use - The vapor recovery and gas collection (VR & GC) systems at Platform Hondo 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.	Petitioner requests relief from this condition because equipment connected to these systems will not meet Rule 331 applicability thresholds during the preservation period.

Tanks/Sumps/Sep arators.	9.C.6.b.i	The vapor recovery systems shall be in operation when the equipment connected to the VRS systems at the facility are in use. The VRS system includes piping, valves, and flanges associated with each VRS system.	Petitioner requests relief from this condition because equipment connected to these systems will not be in use during the preservation period.
Tanks/Sumps/Sep arators.	9.C.6.c.i	Analyze the process streams listed the Process Stream Sampling and Analysis permit condition below.	Petitioner requests relief from sampling during the preservation period of process streams that are not being produced.
Tanks/Sumps/Sep arators.	9.C.6.d, 9.C.6.d(i) 9.C.6.d(ii)	The equipment listed in this section is subject to all the recordkeeping requirements listed in District Rule 325.F. In addition, ExxonMobil shall maintain logs for the information listed below. (i) On a monthly basis, the total oil emulsion and produced gas production along with the number of days per month of production. (ii) Process stream analyses data as required from the Process Stream Sampling and Analysis permit condition.	Petitioner requests relief from recordkeeping requirements on equipment that is temporarily not in service.
CVR	9.C.9 (b) (f), (h)(iv), (h)(x)	<p>The report shall include the following information:</p> <p>(c) Flare (i) The volumes of gas combusted and resultant mass emissions for each flare category presented as a cumulative summary for each day, quarter and year. (ii) The highest total sulfur content and hydrogen sulfide content observed each week in the flare header. (iii) The monthly total sulfur content of flare purge and pilot fuel gas. (iv) A copy of the Flare Event Log (v) Flare Gas Sulfur Content Log(s) vi) Rule 359.H Annual report for each platform per the District approved Flare Gas Plan</p> <p>(f) Pigging. For each pig receiver and launcher, the number of pigging events per day, quarter and year.</p> <p>(g) Tanks/Sumps/Separators (i) On a monthly basis, the total oil emulsion and produced gas production along with the number of days per month of production.</p> <p>(j) General reporting requirements (iv) The produced gas, produced oil, fuel gas, and produced wastewater process stream analyses as required by condition 9.C.13 of this permit. Process stream analyses per Section 4.12.</p>	The petitioner requests that semiannual reporting for preserved equipment be limited to a declaration of current state (i.e., preserved).
Process Stream Sampling and Analysis	9.C.12	ExxonMobil shall sample and analyze the process streams listed in Section 4.12 of this permit according to the methods and frequency detailed in that Section.	Petitioner requests relief from sampling during the preservation period of process streams that are not being produced.
Process Monitoring Systems - Operation and Maintenance.	9.C.15	All platform process monitoring devices listed in Section 4.11.2 of this permit shall be properly operated and maintained according to manufacturer recommended specifications. ExxonMobil shall implement the District approved Process Monitor Calibration and Maintenance Plan for the life of the project.	The plan already allows preservation of devices that monitor preserved equipment. The petitioner requests relief from the plan for the calibration of flare meters: FE-1110-2, FE-1110-2, FE-1110-3 & FE-1141.
Facility Throughput	9.C.18	ExxonMobil shall record in a log the volumes of oil emulsion and gas produced and the actual number of days in production per month	Petitioner requests relief from recordkeeping related to temporarily preserved equipment

Hondo (PTO 9100) Variance Petition - February 2017

APCD Rule	Title	Applicability	Section Heading	Section	Rule Language	Reason for Petition
325	Crude Oil Production and Separation	Equipment connected to the thermal oxidizer	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 temporarily preserved equipment. Equipment has been drained, flushed, purged and idled to remove residual hydrocarbons and sulfur compounds.
325	Crude Oil Production and Separation	Equipment connected to the thermal oxidizer	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 temporarily preserved equipment. Equipment has been drained, flushed, purged and idled to remove residual hydrocarbons and sulfur compounds.
325	Crude Oil Production and Separation	Production Separator	F. Requirements - Recordkeeping	F.4.b F.4.d	The operator shall maintain the following records annually: The maximum vapor pressure of the liquid and the American Petroleum Institute gravity of the oil in the tanks.	The production separator has been preserved and there is no produced oil to sample and analyze. Petitioner requests relief from sampling during the preservation period of process streams that are not being produced.
359	Flares and Thermal Oxidizers	Thermal Oxidizer	F.2 Source Testing	F.2	Any owner or operator of a source subject to this Rule shall perform the following: Measure (a) the purge gas fuel sulfur content, if such gas is not a PUC quality gas or an inert gas, and (b) the gaseous fuel sulfur content and the net heating value for all gaseous fuel which constitute planned flaring. Measurement shall be performed triennially, except for sources which require federal Part 70 operating permits, in which case annual or more frequent testing shall be performed as required by applicable Part 64 Rules.	Petitioner requests relief from monitoring lines that will temporarily not be in service.
359	Flares and Thermal Oxidizers	Thermal Oxidizer	G.1 Monitoring and Recordkeeping	G.1	Any owner or operator of a source subject to this Rule shall perform the following as applicable: Monitor the volume (in scf/month) of all gaseous fuel flared as part of planned/unplanned flaring. If subject to Section D.3, A record of monitored volumes shall be kept by the owner or operator in a format prescribed and approved by the Control Officer, and shall be available for inspection upon request by the District.	Petitioner requests relief from monitoring lines that will temporarily not be in service. Petitioner requests relief from providing records for systems temporarily not in service.
359	Flares and Thermal Oxidizers	Thermal Oxidizer	H.2, 3 Reporting	H.2, 3	Any owner or operator of a source subject to this Rule shall provide the following reports, as applicable: 2. The result of each test report for (a) purge gas S content (if applicable), (b) gaseous fuel S content and (c) gaseous fuel net heating value, obtained pursuant to Section F.2, shall be submitted to the Control Officer by March 1st of the year following the calendar year on which the testing occurred. 3. Data for the monthly volumes (in scf/month) of gas flared per (i) planned continuous and (ii) planned intermittent flaring categories, obtained pursuant to Section G.1, shall be submitted annually to the Control Officer. Each calendar year data report shall be submitted by March 1st of the following calendar year.	Petitioner requests relief from reporting requirements on equipment that is temporarily not in service. Petitioner requests that reporting for equipment temporarily not in service be limited to notification of the operating status of the unit.

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