



**Santa Barbara County
Air Pollution Control District**

Case No / Date	2017-08-N	02/15/17
Petitioner	FMOG	
Permit #	Part 70/PTO 9104	
Date Rec'd	01/19/17	
Time Rec'd	07:44	

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**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In The Matter of the Application of)
Freeport McMoRan Oil & Gas for a)
90-Day Variance from District Rules)
359 and 206, Condition 9.C.3(c)(i) of)
Part 70/Permit to Operate 9104.)

H.B. Case No. 2017-08-N

VARIANCE FINDINGS

AND ORDER

Freeport McMoRan Oil & Gas filed a Petition for an Interim/90-Day Variance on January 19, 2017. A hearing regarding the above-entitled matter was held on February 15, 2017. Glenn Oliver appeared for the Petitioner and Mike McKay appeared for the Santa Barbara County Air Pollution Control District.

This matter having been fully presented and duly considered, the Hearing Board makes the following findings and gives the following reasons for its decision.

1. Notice of the Hearing was duly given in the manner and for the time required by law.
2. Sworn testimony and argument on behalf of the Petitioner and the Air Pollution Control Officer were made, received and considered.
3. The Petitioner operates the equipment described in the Petition at Platform Hermosa, located on offshore lease tract OCS-P-0316, approximately ten miles offshore of Point Arguello, California.
4. On December 19, 2016, the Petitioner discovered their flare meter to be faulty. The meter is required for monitoring flare volumes for both planned and unplanned flaring events. After this discovery, the Petitioner filed for an Emergency Variance (2016-46-E), which was heard and approved on December 21, 2016. Despite multiple attempts to repair the meter during this time, the Petitioner determined they would not be able to return to compliance within the Emergency Variance period. Therefore, on January 19, 2017 an Interim/90-Day Variance petition was filed. On January 23, 2017, Hearing Board member Don Ward heard and approved 2017-07-I, extending variance coverage for the

Petitioner from January 21, 2017 through April 20, 2017, or the date the Petitioner's flare meter is returned to compliance, or the date of decision on the Petitioner's request for this 90-Day Variance, whichever occurs first.

5. Platform Hermosa has been shut down since May 29, 2015 due to the All American Pipeline failure and the Petitioner does not foresee any flaring events in the near future. If gas did have to be flared for piping repair, the Petitioner would be able to monitor the amount flared by pressure changes in the associated system. There are no expected excess emissions related to the granting of this Variance request and the Petitioner expects the meter to be repaired within the allotted timeframe.
6. Without Variance coverage, the Petitioner will be in violation of District Rules 359 and 206, Condition 9.C.3(c)(i) of Part 70/Permit to Operate 9104 and the associated Compliance Monitoring Plan.
7. Due to conditions beyond the reasonable control of the Petitioner, compliance would result in an arbitrary or unreasonable taking of property as the platform is currently shutdown and any flaring emissions related to the granting of this variance would be within permitted limits.
8. Closing or taking would be without a corresponding benefit in reducing air contaminants as potential flaring emissions related to the granting of this variance would be within permitted limits.
9. The Petitioner has curtailed operations in that the entire facility is shut in and will continue to remain shut in until a compliant method of oil shipment is established.
10. Emissions related to the granting of this variance are expected to be within permitted limits.
11. The Petitioner will monitor the dates, hours, and all emissions, if any, related to the granting of this Variance.
12. A nuisance as defined in District Rule 303 is not expected to occur as a result of this variance and continued operation is not likely to create an immediate threat or hazard to public health or safety.
13. The District staff supports the Petition as conditioned below.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That a 90-Day Variance be granted for the continued operation of the Petitioner's facility in violation of District Rules 359 and 206, Condition 9.C.3(c)(i) of Part 70/Permit to Operate 9104 and the associated Compliance Monitoring Plan from February 15, 2017 through April 20, 2017, or the date the Petitioner's flare meter is returned to compliance, whichever occurs first, with the following conditions:

1. The Petitioner shall submit a written report to the Hearing Board and District by April 28, 2017. The report shall include the date compliance was achieved together with a description of the corrective action taken and the dates, times, flare volumes and actual emissions that occurred during the variance.
2. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in the Order.
3. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
4. Each day during any portion of which a violation occurs is a separate offense.

DATED: 2/15/17



Don Ward, Member
Santa Barbara County Air Pollution Control District
Hearing Board