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|  <p>Santa Barbara County Air Pollution Control District</p> | Case No / Date | 2016-25-R | 09/07/16 |
| | Petitioner | ExxonMobil Production Company | |
| | Permit # | Part 70/PTO 5651 | |
| | Date Rec'd | 08/09/16 | |
| | Time Rec'd | 11:43 | |
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**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In The Matter of the Application of)
 ExxonMobil Production Company for a)
 Regular Variance from District Rules)
 328 and 206, Condition 9.C.15 of Part)
 70/Permit to Operate 5651.)

H.B. Case No. 2016-25-R

VARIANCE FINDINGS

AND ORDER

On August 09, 2015, ExxonMobil Production Company filed a Petition for Regular Variance 2016-25-R, requesting a Modification of the Final Compliance Date for 2015-30-R. The Regular Variance was heard on September 07, 2016 in accordance with Health and Safety Code §40808, with Patrice Surmeier appearing for the Petitioner and Mike McKay and David Harris appearing 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 Las Flores Canyon (LFC), located at 12000 Calle Real, Goleta, CA, approximately 25 miles northwest of the City of Santa Barbara, CA.
4. ExxonMobil Production Company, a division of Exxon Mobil Corporation, is the holder of Permit to Operate 5651-R5. This main facility permit authorizes the operation of

equipment and processes located at the Las Flores Canyon Oil and Gas Plant (LFC), which is part of the Exxon – Santa Ynez Unit (SYU) Project.

5. 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 preparing for an extended suspension of operations. On June 16, 2015 incoming platform gas was terminated. Facility equipment is not operating normally and is being preserved to manage its integrity over the longer term. This preservation process may involve the temporary and intermittent use of equipment, not reflective of normal operating conditions. Line 901 remains shutdown and Plains continues to work with local and federal agencies to reestablish pipeline operations. Upon the date the facility resumes processing platform gas, the Petitioner is requesting an additional six (6) months of variance coverage from the above permit requirements for scheduling of the Relative Accuracy Test Audit (RATA) and Relative Accuracy Audit (RAA) tests. At this time, it is unclear when the restart of the Petitioners facility may occur. Per Health and Safety Code §42357, the Petitioner is requesting a Modification of Final Compliance Date, extending variance coverage through September 29, 2017. There are no expected emissions related to the granting of the Petitioners request.
6. 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.
7. Pursuant to Health and Safety Code §42359.5, it is found that “good cause” exists for the granting of Petitioner’s request for a Modification of the Final Compliance Date set forth in 2015-30-R.
8. The District staff supports the Petition as conditioned below.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That a Regular Variance be granted for the continued operation of the Las Flores Canyon Oil and Gas Plant in violation of District Rules 328 and Rule 206, Condition 9.C.15 of Part 70/Permit to Operate 5651 from September 30, 2016 through September 29, 2017, or six (6) months after the date the facility resumes processing platform gas, whichever occurs first, with the following conditions:

1. Petitioner shall submit increments of progress to the Hearing Board and District on the first day of every calendar quarter after the date of approval of the Regular Variance beginning January 1, 2017. The increments of progress report shall include: status of compliance, any corrective action taken to date, and the dates, times, volumes and actual emissions, if any, that occurred during the variance.

2. Petitioner shall submit a final report to the Hearing Board and District within thirty (30) days of the facility returning to compliance. The report shall include the date compliance was achieved together with the corrective actions taken and the dates, times, volumes and actual emissions, if any, that occurred during the variance period. If corrective action would be subject to District permits, then permits must be obtained prior to initiating corrective action.
3. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in the Order.
4. 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.
5. Each day during any portion of which a violation occurs is a separate offense.

DATED: 9/7/16

AYES: Ward, Saperstein, Schmarje.

NOES: None.

ABSENT: Lagattuta.

ABSTAIN: None.



Chair, Donald Ward
Santa Barbara County Air Pollution Control District
Hearing Board