

 <p>Santa Barbara County Air Pollution Control District</p>	Case No / Date	2016-38-M1	12/06/17
	Petitioner	Venoco, LLC	
	Permit #	Part 70/PTO 7904	
	Date Rec'd	11/14/17	
	Time Rec'd	15:45	
<b>FOR OFFICIAL USE ONLY</b>			

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

In The Matter of the Venoco, LLC )  
 Petition for a Modification of Variance )  
 and Modification of Final Compliance )  
 Date of Regular Variance from District )  
 Rule 206, Conditions 9.C.1(c)(v), )  
 9.C.1(c)(vi), and 9.C.1(c)(viii) of Part )  
 70/Permit to Operate 7904.

**\*\*\*DRAFT\*\*\*  
 H.B. Case No. 2016-38-M1  
 VARIANCE FINDINGS  
 AND ORDER**

On November 14, 2017, Venoco, LLC filed a Petition for modification of variance and modification of final compliance date for Regular Variance 2016-38-R. The Petition was heard on December 06, 2017, in accordance with Health and Safety Code §40808, with Keith Wenal appearing for the Petitioner and Mike McKay 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 the Ellwood Onshore Facility (EOF) located approximately 14 miles west of the City of Santa Barbara, California.
4. As a result of the Plains All American Pipeline (AAPL) Line 901 failure on May 19, 2015, the facility experienced impacts. The Petitioner requested relief from the requirements to perform measurement and analysis of gas streams that have no gas flow during this extended shutdown. At this time, it is unclear when the restart of the

Petitioner's facility may occur.

Venoco, LLC filed for bankruptcy in April of 2017 and announced all assets would be liquidated and the company would close. In addition, in April of 2017, Venoco, LLC quitclaimed its interest in the South Ellwood Field Leases, including Platform Holly and the Ellwood Beach pier leases. This action returned operational control of these assets to the California State Lands Commission. The California State Lands Commission has indicated the potential use of the Ellwood Onshore Facility for the purposes of decommissioning (plugging and abandoning) the 32 wells associated with Platform Holly and Piers 421.

A *Transfer of Owner or Operator* application was deemed complete in accordance with District Rule 203 on November 16, 2017. Venoco, LLC remains the owner of the Ellwood Onshore Facility, permitted by Part 70/Permit to Operate 7904. However, the California State Lands Commission and Beacon West Energy Group, LLC jointly operate the equipment.

Per Health and Safety Code §42356 and §42357, the Petitioner requested a modification of variance and modification of final compliance date for Regular Variance 2016-38-R, extending variance coverage through December 05, 2019, or the date the facility begins decommissioning operations (as determined by the District), whichever occurs first.

5. There are no expected excess emissions with the granting of this Variance.
6. A nuisance as defined in District Rule 303 is not expected to occur as a result of this Variance and there is not a likely immediate threat or hazard to public health or safety.
7. Pursuant to Health and Safety Code §42356 and §42357, it is found that "good cause" exists for the granting of Petitioner's request for a modification of variance and modification of final compliance date set forth in Regular Variance 2016-38-R.
8. The District staff supports the Petition as conditioned below.

**THEREFORE, THE HEARING BOARD ORDERS,** as follows:

That a modification of variance and modification of final compliance date for Regular Variance 2016-38-R be granted for the continued operation of the Ellwood Onshore Facility in violation of District Rule 206, Conditions 9.C.1(c)(v), 9.C.1(c)(vi), and 9.C.1(c)(viii) of Part 70/Permit to Operate 7904 from December 06, 2017 through December 05, 2019, or the date the facility begins decommissioning operations (as determined by the District), 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 April 01, 2018. 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 end of the variance period. The report shall include the date compliance was achieved (if 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 §42402.
5. Each day during any portion of which a violation occurs is a separate offense.
6. The Environmental Protection Agency does not recognize California's Variance program, therefore, this Variance does not protect the Petitioner from Federal Enforcement actions.

**DATED:** \_\_\_\_\_

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chair  
Santa Barbara County Air Pollution Control District  
Hearing Board