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|  <p>Santa Barbara County Air Pollution Control District</p> | Case No / Date | 2017-22-I | 10/06/17 |
| | Petitioner | FMOG | |
| | Permit # | 6708 | |
| | Date Rec'd | 10/02/17 | |
| | Time Rec'd | 12:58 | |
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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 for an Interim)
 Variance from District Rule 206,)
 Conditions 9.C.14 and 9.C.23 of Permit to)
 Operate 6708)

H.B. Case No. 2017-22-I

VARIANCE FINDINGS

AND ORDER

Freeport McMoRan (FMOG) filed a Petition for an Interim/90-Day Variance on October 02, 2017. A hearing regarding the above-entitled matter was held on October 06, 2017. Glenn Oliver and David Rose represented FMOG via telephone, Michael McKay appeared for the Santa Barbara County Air Pollution Control District, and Francis Peters represented the Hearing Board via telephone for this Interim Hearing.

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 Lompoc Oil & Gas Plant (LOGP), located 2.7 miles northeast of the City of Lompoc at 3602 Harris Grade Road.
4. On September 29, 2017, the odor monitoring station permitted under PTO 6708 was completely destroyed by the Rucker fire. There was nothing salvageable after the fire. PTO 6708 requires monitoring and data collection for several meteorological parameters as well as H₂S and total reduced sulfides in the ambient air. Data is also required to be transmitted to the APCD data acquisitions system (DAS). Until the monitoring station can be re-built and a connection with the District re-established, the Petitioner is unable to maintain compliance with the above conditions.

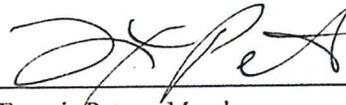
5. Without Variance coverage, the Petitioner will be in violation of District Rules 206, Conditions 9.C.14 and 9.C.23 of Permit to Operate 6708.
6. Due to conditions beyond the reasonable control of the Petitioner, compliance would result in an arbitrary or unreasonable taking of property as LOGP would be required to cease operations. This would have a significant economic impact to the company as production at offshore Platform Irene would also be required to cease operations. In addition, gas from the nearby Lompoc Oil Field, owned and operated by Sentinel Peak Resources, is processed at LOGP and that field would also be required to shutdown.
7. Closing or taking would be without a corresponding benefit in reducing air contaminants, as there are no emissions related to the granting of this variance.
8. Curtailing operations will not completely eliminate emissions as all vessels would still have oil and gas present.
9. There are no emissions related to the granting of this variance.
10. The Petitioner will monitor the dates, hours, and all emissions, if any, related to the granting of this Variance.
11. If, due to reasons beyond the control of the Petitioner, successful equipment repairs are unable to be completed during this Variance period, additional relief will be sought.
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 an Interim Variance be granted for the continued operation of the Petitioner's facility in violation of Rule 206, Conditions 9.C.14 and 9.C.23 of Permit to Operate 6708 from October 03, 2017 through December 31, 2017, or the date of decision on the Petitioner's request for a 90-Day Variance, or the date compliance is achieved, whichever occurs first with the following conditions:

1. Petitioner shall submit a written report to the Hearing Board and District by January 19, 2018. The report shall include the date compliance was achieved together with a description of the corrective action taken, and emissions, if any, 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.
5. The Environmental Protection Agency does not recognize California's Variance program, therefore, this Variance does not protect the Petitioner from Federal Enforcement actions.

DATED: Oct 6, 2017



Francis Peters, Member
Santa Barbara County Air Pollution Control District
Hearing Board