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|  | Case No / Date | 2018-05-R | 06/06/18 |
| | Petitioner | ExxonMobil Production Company | |
| | Permit # | 5651 | |
| | Date Rec'd | 05/03/18 | |
| | Time Rec'd | 11:42 | |
| FOR OFFICIAL USE ONLY | | | |

DRAFT

**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 Rule)
 206, Conditions 9.C.17, 9.C.18,)
 9.C.36, 9.C.40, and 9.C.41 of Part)
 70/Permit to Operate 5651.)

H.B. Case No. 2018-05-R

VARIANCE FINDINGS

AND ORDER

On May 03, 2018, ExxonMobil Production Company filed a Petition for a Regular Variance. The Regular Variance was heard on June 06, 2018 in accordance with Health and Safety Code §40808 with Patrice Surmeier 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 Las Flores Canyon (LFC), located at 12000 Calle Real, Goleta, CA, approximately 25 miles northwest of the City of Santa Barbara, CA.
4. 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 temporarily ceasing operations. On June 16, 2015 incoming platform gas was terminated. Preservation plans for the facility are still in progress. Line 901 remains shutdown and Plains continues to work with local and federal agencies to

understand the nature of the failure and repair options. At this time, it is unclear when the restart of the facility may occur. Since the facility is not in operation, the Petitioner is requesting approval to temporarily preserve their odor monitoring station until recommissioning activities begin. The station is used to house equipment, which measures wind speed, temperature, and ambient H₂S concentration. Since temporary suspension of operations began in May of 2015, there have been no reported odor complaints.

5. Without Variance coverage, the Petitioner will be in violation of District Rule 206, Conditions 9.C.17, 9.C.18, 9.C.36, 9.C.40, and 9.C.41 of Part 70/Permit to Operate 5651.
6. Due to conditions beyond the reasonable control of the Petitioner, compliance would result in an arbitrary or unreasonable taking of property as the pipeline closure is outside of the Petitioner's control.
7. Closing or taking would be without a corresponding benefit in reducing air contaminants as there are no expected emissions related to the granting of this variance.
8. 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.
9. There are no expected 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. 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.
12. 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 Petitioner's facility in violation of Rule 206, Conditions 9.C.17, 9.C.18, 9.C.36, 9.C.40, and 9.C.41 of Part 70/Permit to Operate 5651 from July 01, 2018 through June 30, 2020, or 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 effective date of the Regular Variance beginning October 1, 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 written notification to the District at least sixty (60) days prior to the first introduction of hydrocarbons into their system. This will allow the District adequate time to ensure proper calibration and operation of the odor monitoring station prior to start-up.
3. 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.
4. Petitioner shall retain the obligation to comply with all other local, state and federal regulations not specifically referenced in the Order.
5. 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.
6. Each day during any portion of which a violation occurs is a separate offense.
7. 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:

Chair
Santa Barbara County Air Pollution Control District
Hearing Board