

	Case No / Date	2019-04-I	4/22/19
	Petitioner	FMOG	
	Permit #	9103-R5	
	Date Rec'd	4/16/19	
	Time Rec'd	1412 hours	
<b>FOR OFFICIAL USE ONLY</b>			

**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 Rules 359.D.2 )  
 and 206 and Part 70/Permit to )  
 Operate 9103-R5, Conditions 9.C.3(a) )  
 and 9.C.3(b)(vii). )

**H.B. Case No. 2019-04-I  
VARIANCE FINDINGS  
AND ORDER**

Freeport McMoRan (FMOG) filed a Petition for an Interim/90-Day Variance on April 16, 2019. A hearing regarding the above-entitled matter was held on April 23, 2019. Glenn Oliver and David Rose represented the Petitioner, Aimee Long represented the Santa Barbara County Air Pollution Control District, and Terence Dressler represented the Hearing Board 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 Platform Harvest, located on offshore lease tract OCS-P-0315, approximately ten miles offshore of Point Arguello, California.
4. The production operations at Platform Harvest have been suspended since late May, 2015, due to the Plains All American Pipeline (AAPL) Line 901 failure. During the shutdown, platform flaring has been limited to the periodic diagnostic testing of wells,

eliminating high casing pressures, vessel purging and cleaning, and the preparation for eventual plugging and abandonment of the wells. On April 15, 2019, the flare pilot and electronic ignition system failed to auto-ignite after extinguishing. The Petitioner has ordered various replacement parts (e.g., thermocouples, ignition module and igniter probe). Because the cause of the failure is unknown, the Petitioner filed a request for an Interim/90-Day Variance.

5. The Petitioner is requesting to maintain and manually relight the flare pilot using a flare gun until the automatic ignition system is repaired. Small amounts of ROC-containing gases may be vented while the pilot is extinguished until relit manually.
6. Without Variance coverage, the Petitioner will be in violation of District Rules 359.D.2 and 206 and Part 70/Permit to Operate 9103-R5, Conditions 9.C.3(a) and 9.C.3(b)(vii).
7. Due to conditions beyond the reasonable control of the Petitioner, requiring immediate compliance with the referenced permit conditions and District Rules would result in an arbitrary or unreasonable taking of property as the repairs cannot be conducted within without a violation occurring.
8. The closing or taking would be without a corresponding benefit in reducing air contaminants. All flaring occurring at this time is in conjunction with abandonment of platform operations and plugging of wells. The cessation of these activities would result in venting of gas, and continuous inert gas purging of the flare header.
9. The Petitioner has given consideration to curtailing operations, however, this this would cost an excess of \$50,000 to demobilize and remobilize the work crew.
10. During the variance period, the Petitioner will reduce emissions to the maximum extent feasible by discontinuing well diagnostic work and limiting gas vented to the flare. The flare and pilot will be manually relit should gas be directed to the flare.
11. The Petitioner will measure and report all flare volumes and emissions associated with the granting of this variance.
12. The Petitioner filed for a 90-day Variance in conjunction with this Interim Variance. 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.
13. 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.
14. 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 District Rules 359.D.2 and 206 and Part 70/Permit to Operate 9103-R5, Conditions 9.C.3(a) and 9.C.3(b)(vii) from April 16, 2019 through May 31, 2019, or the date compliance is achieved, or the date of decision on the Petitioner's request for a 90-Day Variance, whichever occurs first with the following conditions:

1. Petitioner shall submit a written report to the Hearing Board and District by June 21, 2019. 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: 4/23/2019

  
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Terence Dressler, Chair  
Santa Barbara County Air Pollution Control District  
Hearing Board