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|  | Case No / Date | 2019-08-E | 4/23/19 |
| | Petitioner | HVI, Cat Canyon | |
| | Permit # | 8869-R10 | |
| | Date Rec'd | 4/17/19 | |
| | Time Rec'd | 1604 hours | |
| FOR OFFICIAL USE ONLY | | | |

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

In The Matter of the Application of)
HVI, Cat Canyon, dba Greka Oil and)
Gas, for an Emergency Variance from)
District Rules 325.D.1 and 206, and)
Part 70/Permit to Operate 8869-R10)
Conditions 9.C.3(b)(2) and)
9.C.5(b)(1).)

H.B. Case No. 2019-08-E

VARIANCE FINDINGS

AND ORDER

HVI, Cat Canyon, dba Greka Oil & Gas filed a Petition for an Emergency Variance on April 17, 2019. A hearing regarding the above-entitled matter was held on April 23, 2019. Alejandro Pinon and Jorge Vargas represented the Petitioner, Aimee Long represented the Santa Barbara County Air Pollution Control District, and Terence Dressler represented the Hearing Board for this Emergency 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 Bell Lease located at 6527 Dominion Road, Santa Maria, California.
4. On April 9, 2019, the Petitioner discovered a power outage causing the Vapor Recovery Unit (VRU) to go down. The Petitioner immediately filed for breakdown coverage to resolve the issue, however, that breakdown was subsequently denied due to failing to submit the final breakdown report. After several attempts, it was determined the

electrical system powering the VRU had a short. This Petition is requesting an Emergency Variance to work with the electrical contractor to resolve the issue.

5. Without Variance coverage, the Petitioner will be in violation of District Rules 325.D.1 and 206 and Part 70/Permit to Operate 8869-R10, Conditions, 9.C.3(b)(2) and 9.C.5(b)(1).
6. If, due to reasons beyond the control of the Petitioner, successful repairs are not completed during this Variance period, additional relief will be sought.
7. The Petitioner will monitor and record on a daily basis, all emissions related to the granting of this variance.
8. 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.
9. The District staff supports the Petition as conditioned below.
10. Pursuant to Health and Safety Code section 42359.5, I find that “good cause” exists for the granting of Petitioner’s request for an Emergency Variance.

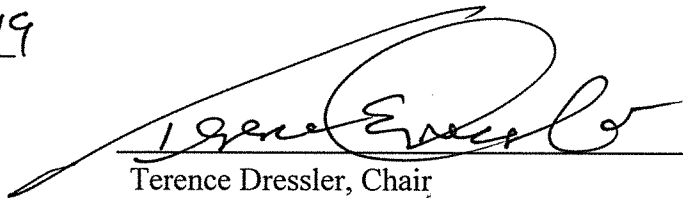
THEREFORE, THE HEARING BOARD ORDERS, as follows:

That an Emergency Variance be granted for the continued operation of the Petitioner’s facility in violation of Rules 325 D.1, 206, and Part 70/Permit to Operate 8869-R10, Conditions, 9.C.3(b)(2) and 9.C.5(b)(1) from April 17, 2019 through May 16, 2019, 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 May 30, 2019. The report shall include the date compliance was achieved together with the cause of the malfunction, description of the corrective action taken and the dates, times, and actual emissions that occurred during the variance period. The report shall also include the dates and amounts (bbls) of oil and gas produced at the Bell Lease during each day of the variance period (from April 17, 2019 through May 16, 2019, or the date compliance is achieved, whichever occurs first).

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: April 23, 2019



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