Santa Barbara County
Air Pollution Control District

Our Vision Clean Air

H.B. Case No.:	2020-09-R
Petitioner:	DCOR, LLC
Permit No.:	9110-R5
Date Rec'd:	May 7, 2020
Time Rec'd:	1614 hours
Filing Fee Paid:	$633.00

PETITION FOR VARIANCE

Type of Variance Requested:

Emergency _____ Interim[1] _____ 90-Day _____ Regular X

Length of Variance Requested: Start Date **June 3, 2020**

End Date **Dec. 31, 2020**

[1] A 90-Day or Regular Variance must be filed concurrently with an Interim Variance

1. **PETITIONER INFORMATION**

A. Please provide the name, address and phone number of the Petitioner.

Name: **DCOR, LLC / CHRISTINE WHITE**
Address: **290 MAPLE COURT, SUITE 290**
VENTURA, CA 93003
Phone Number: **805-535-2074**

B. Please provide the name, address and phone number of the person authorized to receive correspondence regarding this Petition if different from response in 1.A.

Name: **SAME AS ABOVE**
Address: _____
_____
_____
Phone Number: _____

C. The Petitioner is (please check one):

1) An Individual ( )
2) Partnership ( )
3) Corporation (**X)**
4) Public Agency ( )
5) Other Entity (please describe)

2. Location of equipment for which the variance is requested if different from response in 1.A.

DCOR is submitting three (3) separate Petitions for Variance. This Variance Petition applies to the highlighted facility below.

PLATFORM A / OCS-P-0241

PLATFORM B / OCS-P-0241

PLATFORM HILLHOUSE / OCS- P-0240

3. List any District permits that are applicable to the equipment subject to this variance request.

PLATFORM A – SBCAPCD PTO #9110

PLATFORM B – SBCAPCD PTO #9111

PLATFORM HILLHOUSE – SBCAPCD PTO #9114

4. Briefly describe the equipment that is the subject of this Petition.

PLATFORM A – 2,500 MMBTU/HR FLARE / Device ID 005493

PLATFORM B – 2,500 MMBTU / HR FLARE / Device ID 005506

PLATFORM HILLHOUSE – 2,500 MMBTU / HR FLARE / Device ID 112631

5. **FINDINGS REQUIRED FOR THE GRANTING OF A VARIANCE**

In order for the Hearing Board to grant a variance to a Petitioner authorizing the operation of a source in violation of any rule, regulation or order of the District, the Hearing Board is required to make "findings" in accordance with the requirements specified in California Health and Safety Code §42352, et. seq. and District rules and regulations. The Hearing Board's variance decision will take into consideration information you provide in this Petition. Please ensure your responses are complete and thorough. Please use additional pages as necessary.

A. Please state 1) what District rule, regulation or order you either are or will be in violation of, and 2) the date said violation will or did occur. Include as appropriate the applicable permit conditions for which variance relief is being sought.

PLATFORM A, B, and HILLHOUSE – PTO #9110, #9111, and #9114: Facilities listed above will be in violation of SBCAPCD Rule 206, Permit Condition 9.A.10 - DCOR shall comply with all permit conditions including 9C.2(a) and (b): Mass emissions from the flare relief system (Planned Flaring) shall not exceed the limits listed in Tables 5.1-3 and 5.1-4 and Planned Flaring volumes shall not exceed the volumes listed in Table 5.1-1 (Applicable Tables attached for reference).

B. Please describe how compliance with the District rule, regulation or order listed in Section A above is beyond your reasonable control. In addition to any other relevant factors, please include in your discussion 1) what actions you have taken to comply or seek a variance, which were timely and reasonable under the circumstances.

Platform A, B, and Hillhouse air permit conditions allow up to 26,393 MCF per year of produced gas to be flared under planned conditions. DCOR has been noticed by SoCal Gas Company that they will shut-down their Ventura / Santa Barbara (L-1004) 16-inch diameter Main Gas Transmission Pipeline for a planned pipeline integrity hydrotesting project starting May 20, 2020 and lasting approximately 30 days. The shut-down of the SoCal Gas Pipeline will curtail DCOR's ability to sell gas and this will result in flaring of all co-produced gas at DCOR's offshore platforms.

Based upon current gas production rates, Platform A (1,350 MCF/day), Platform B (1,400 MCF/day), and Platform Hillhouse (1,100 MCF/day) annual Planned Flaring Volumes (26,393 MCF) will be exceeded within 18-23 days of project start-up. In order for DCOR to continue to produce and sell oil, co-produced gas at Platforms A, B, and Hillhouse (as well as Platforms C and Henry) will need to be flared at each individual facility for the duration of the project. Therefore, DCOR is requesting a Regular Variance to go into effect on June 3, 2020 (Regular Variance Hearing Date) and lasting until December 31, 2020.

DCOR is submitting Variance Petitions for Platforms A, B, and Hillhouse in advance of the project start date.

Please note that while DCOR's Platform C and Henry will also be flaring during the SoCal Gas Company pipeline integrity testing project, based upon their current daily gas production rates it is not expected that they will exceed their air permit annual planned flaring volumes during the project time-frame.

C. Please describe how you would be impacted if you were required to immediately comply with the District rule, regulation or order the subject of this variance request. In addition to any other relevant factors, please discuss why such impacts would result in 1) an arbitrary or unreasonable taking of property, or 2) the practical closing and elimination of a lawful business.

If DCOR is not able to flare co-produced gas during the SoCal Gas Company pipeline outage, all oil and gas production on Platforms A, B, and Hillhouse will need to be shut-in. This will result in the loss of 700 Barrels of Oil per Day (BOPD) from Platform A, 1,675 BOPD from Platform B, and 700 BOPD from Platform Hillhouse for a total of 3,170 BOPD. At the current crude oil price of $28.00 per barrel, DCOR will lose combined oil sales revenues of $88,760 per day. If Platform A, B, and Hillhouse oil and gas production is shut in completely from June 6, 2020 (approximate date annual planned flaring volumes are exceeded) through December 31, 2020, DCOR at $28.00 per barrel will lose oil sales revenues totaling $19,793,480. At current $2 per MCF, DCOR will additionally lose gas sales revenue of $1,705,950. Lost revenue projections will likely be significantly higher as current historical low oil and gas prices will rebound after the easing of corona virus pandemic restrictions. The shutdown of oil and gas production at Platforms A, B, and Hillhouse represents 45 % of DCOR's total offshore oil and gas production. The significant economic hardship will result in the elimination of up to 25 DCOR jobs both on the platforms and in the Ventura office, and as many as 50 contract and supplier company positions that support the operations on a daily basis.

D. If you were required to immediately comply with the District rule, regulation or order the subject of this variance request, please describe what impact, if any, that would have on air contaminants.

If DCOR was required to shut down all oil and gas production at Platforms A, B, and Hillhouse it would result in a reduction of flaring emissions but it would not result in a reduction of other facility emissions from wellhead and other fugitive emissions, IC engines (cranes, emergency generators, and firewater pumps), crew and supply boats, tanks and sumps. Emissions from these devices will still be generated as the facilities will require ongoing surveillance and maintenance work while oil and gas production is shut-in for the remainder of the year.

E. Please describe what consideration you have given to curtailing operations in lieu of obtaining a variance.

DCOR will incur significant negative financial impacts if oil production and sales are curtailed from Platforms A, B, and Hillhouse. These three facilities represent approximately 45% of the company's total oil production. In addition, if the facilities oil wells are shut in for a significant amount of time reservoir damage will likely occur and this will negatively impact future oil and gas production rates when the facilities are returned to production. The possible economic impact of losing a combined 3,170 BOPD and 3,850 MCFD in oil and gas sales revenue during the remainder of 2020 is of great concern to DCOR and its employees.

F. Please describe what steps and measures you will take to reduce excess pollutant emissions the maximum extent feasible during the requested variance period.

Gas produced at Platforms A, B, and Hillhouse is sweet gas and there will be no exceedances of sulfur emissions at any time. For the remainder of the year, after the SoCal Gas Pipeline project is completed, DCOR will limit Planned Flaring to the extent possible. DCOR's historical Planned (and Unplanned) Flaring totals are low versus the annual air permit flaring volume allowances of 26,393 MCF in each category.

Historical Annual Planned Flaring Volumes (MCF) vs Annual Planned Air Permit Limits (26,393 MCF):

Year	Platform A	Platform B	Platform Hillhouse
2019	6,900	1,740	4,500
2018	7,100	3,910	1,400
2017	1,500	1,711	1,300
2016	1,700	2,500	1,200

The revenue generated from gas sales provides an incentive to limit flaring of produced gas at DCOR's facilities.

G. If requested to do so by the District, please describe how you will monitor or otherwise quantify and report to the District any pollutant emissions associated with the granting of your variance.

DCOR meters and records all platform flaring activity (time periods, volumes of gas, and H_2S levels) on a daily basis and these records are made available to SBCAPCD at any time. From the daily facility flare volumes, DCOR can quantify excess emissions and report to SBCAPCD on a monthly basis during the variance time-frame.

6. **SUPPLEMENTAL FINDINGS IF APPLYING FOR AN EMERGENCY VARIANCE PURSUANT TO RULE 506 (EMERGENCY VARIANCE FOR BREAKDOWNS)**

A. Please provide the date and time the breakdown was reported to the District

Date: **N/A** Time: _____

B. Breakdown number (as provided by the District):

N/A

C. Please provide a description of the "breakdown condition", including equipment involved and the cause to the extent it is known.

N/A

D. Please describe why the continued operation of your facility in a "breakdown condition" is not likely to cause an immediate threat or hazard to public health or safety and will not interfere with the attainment or maintenance of any primary national ambient air quality standard.

N/A

7. Will the operation of the equipment subject to this variance result in violation of District Rule 303, Nuisance?

It is not anticipated that flaring of produced gas on Platforms A, B, and Hillhouse will result in a nuisance. Previous Flare Visual Emission (VEs) Inspections have found that the platform flares to not generate smoke (opacity).

8. Please state whether or not any civil or criminal case involving the equipment subject to this variance is pending any court.

No.

The undersigned is authorized to submit the above Petition on behalf of the Petitioner and further states under penalty of perjury that the above Petition, including any attachments and the items therein set forth, are true and correct.

DATE: 5.7.2020 SIGNATURE: Robert L. Garcia

TITLE: Vice President – Facilities and Process Engineering

PRINT NAME: Robert L. Garcia

Variance Filing Fees: All variance Petitions must be accompanied by the requisite filing fee at the time of filing or include a letter from the Petitioner on company letterhead authorizing the District to debit the filing fee from the company's reimbursable account. You may also pay your filing fees by credit card using the attached form. Current variance filing fees may be found under Rule 210, schedule F, Sections 12a and 12b at http://www.sbcapcd.org/fees.htm

Credit Card Payment: The Variance Filing Fee may be paid with a credit card. Please use APCD

Form -01C to pay via credit card. The form may be downloaded at:
http://www.sbcapcd.org/eng/dl/dl01.htm

Table 5.1-1
Dos Cuadras Platform A - Part 70/PTO 9110-R5
Operating Equipment Description

			Device Specifications				Usage Data			Maximum Operating Schedule				
Equipment Category	Description	District Device No.	Fuel	% S	Size	Units	Capacity	Units	Load	hr	day	qtr	year	References
Combustion - Engines	North Crane	004873	D2	0.0015	230	bhp	7,241	Btu/bhp-hr	--	1.0	24	500	1,000	A
	South Crane	004872	D2	0.0015	109	bhp	7,700	Btu/bhp-hr	--	1.0	24	100	200	
	Emergency Generator	102020	D2	0.0015	605	bhp	7,000	Btu/bhp-hr	--	1.0	2	200	200	A
Combustion - Flare	Purge and Pilot	005493	PG	0.0239	150	scfh	0.165	MMBtu/hr	--	1.0	24	2,190	8,760	B
	Planned - continuous	--	PG	0.0239	250	scfh	0.275	MMBtu/hr	--	1.0	24	2,190	8,760	
	Planned - other	--	PG	0.0239	2,500	MMBtu/hr	26.393	MMscf/yr	--	--	--	1	1	
	Unplanned	--	PG	0.0239	2,500	MMBtu/hr	26.393	MMscf/yr	--	--	--	1	1	
Fugitive Components	Oil - controlled	102070	--	--	6,994	comp-lp	--	--	--	1.0	24	2,190	8,760	C
	Oil - unsafe	102071	--	--	24	comp-lp	--	--	--	1.0	24	2,190	8,760	
	Gas - controlled	102066	--	--	8,012	comp-lp	--	--	--	1.0	24	2,190	8,760	
	Gas - unsafe	102068	--	--	126	comp-lp	--	--	--	1.0	24	2,190	8,760	
Supply Boat	Main Engines - controlled	005494	D2	0.0015	4,000	bhp-total	0.049	gal/bhp-hr	0.65	1.00	11.00	57.20	114.40	D
	Generator Engines	005495	D2	0.0015	490	bhp-total	0.055	gal/bhp-hr	0.50	1.00	11.00	57.20	114.40	
	Bow Thruster	005496	D2	0.0015	515	bhp-total	0.055	gal/bhp-hr	1.00	1.00	2.00	10.40	20.80	
Emergency Response	Main Engines - controlled	005497	D2	0.0015	2,900	bhp-total	0.055	gal/bhp-hr	0.65	--	--	18	72	
	Auxiliary Engines	005497	D2	0.0015	78	bhp-total	0.055	gal/bhp-hr	0.50	1.0	24	18	72	
Crew Boat	Main Engines - controlled	005498	D2	0.0015	1,701	bhp-total	0.055	gal/bhp-hr	0.85	1.0	17.5	263.0	1,050	E
	Generator Engines	005499	D2	0.0015	218	bhp-total	0.055	gal/bhp-hr	0.50	1.0	17.5	263.0	1,050	
Pigging Equipment	Oil Receiver	102043	--	--	5.07	cf	1	psig	--	1	1	26	104	F
	Gas Receiver	102044	--	--	5.07	cf	1	psig	--	1	1	39	156	
	Oil Receiver	102046	--	--	8.00	cf	1	psig	--	1	1	26	104	
	Gas Receiver	114001	--	--	1.67	cf	1	psig	--	1	1	39	156	
	Oil Launch	114000	--	--	9.00	cf	1	psig	--	1	1	26	104	
	Gas Launch	113999	--	--	9.00	cf	1	psig	--	1	1	26	104	
Sumps/Tanks/Separators	Waste Oil Sump	005500	--	--	10.52	ft2	--	--	--	1.0	24	2,190	8,760	G
	Skimmer Tank	005502	--	--	50.27	ft2	--	--	--	1.0	24	2,190	8,760	
	Waste Water Tank	005503	--	--	47.78	ft2	--	--	--	1.0	24	2,190	8,760	
	Slop Tank	102082	--	--	78.54	ft2	--	--	--	1.0	24	2,190	8,760	
	Flotation Cell Unit	005501	--	--	1.44	MMGal/day	--	--	--	1.0	24	2,190	8,760	
Solvent Usage	Cleaning/degreasing	004883	--	--	--	--	3,009	gal/yr	--	1.0	24	2,190	8,760	H
Permit-exempt/Fed.Significant Unit	*Exempt Air Compressor*	*110757*	*D2*	*0.0015*	*49*	*bhp*	*8,000*	*Btu/hp-hr*	--	*1.0*	*24*	*2,190*	*8,760*	

Table 5.1-4
Dos Cuadras Platform A - Part 70/PTO 9110-R5
Quarterly and Annual Emissions

Equipment Category	Description	District Device No.	NO_x		ROC		CO		SO_x		PM		PM_{10}		$PM_{2.5}$		GHG		Federally Enforceable
			TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	
Combustion - Engines	North Crane	004873	1.17	2.34	0.13	0.27	0.42	0.84	0.00	0.00	0.14	0.27	0.14	0.27	0.14	0.27	72.2	144.4	FE
	South Crane	004872	0.18	0.38	0.01	0.03	0.04	0.08	0.00	0.00	0.01	0.03	0.01	0.03	0.01	0.03	7.3	14.6	FE
	Emergency Generator	102020	0.92	0.92	0.13	0.13	1.13	1.13	0.00	0.00	0.05	0.05	0.05	0.05	0.05	0.05	249.9	249.9	
Combustion - Flare	Purge and Pilot	005493	0.01	0.05	0.01	0.04	0.07	0.27	0.01	0.03	0.00	0.01	0.00	0.01	0.00	0.01	21.2	84.6	FE
	Planned - continuous	--	0.02	0.08	0.02	0.07	0.11	0.45	0.01	0.04	0.01	0.02	0.01	0.02	0.01	0.02	35.3	141.0	FE
	Planned - other	--	1.18	1.18	1.00	1.00	6.44	6.44	0.64	0.64	0.35	0.35	0.35	0.35	0.35	0.35	146.4	146.4	FE
	Unplanned	--	1.18	1.18	1.00	1.00	6.44	6.44	0.64	0.64	0.35	0.35	0.35	0.35	0.35	0.35	146.4	146.4	FE
Fugitive Components	Oil - controlled	102070	--	--	0.28	1.12	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Oil - unsafe	102071	--	--	0.00	0.02	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Gas - controlled	102068	--	--	5.38	21.52	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Gas - unsafe	102068	--	--	0.42	1.69	--	--	--	--	--	--	--	--	--	--	--	--	FE
Supply Boat	Main Engines - controlled	005494	0.98	1.96	0.06	0.12	0.54	1.08	0.00	0.00	0.12	0.24	0.12	0.24	0.12	0.24	81.2	162.4	FE
	Generator Engines	005495	0.23	0.47	0.02	0.03	0.05	0.10	0.00	0.00	0.02	0.03	0.02	0.03	0.02	0.03	8.6	17.2	FE
	Bow Thruster	005496	0.09	0.18	0.01	0.01	0.02	0.04	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	3.3	6.6	FE
Emergency Response	Main Engines - controlled	005497	0.25	1.01	0.02	0.06	0.14	0.55	0.00	0.00	0.01	0.02	0.01	0.02	0.01	0.02	20.8	83.1	FE
	Auxiliary Engines	005497	0.00	0.02	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.4	1.7	FE
Crew Boat	Main Engines - controlled	005498	2.45	9.79	0.27	1.09	1.55	6.19	0.00	0.01	0.16	0.62	0.16	0.62	0.16	0.62	233.3	931.4	FE
	Generator Engines	005499	0.48	1.90	0.03	0.13	0.12	0.47	0.00	0.00	0.03	0.13	0.03	0.13	0.03	0.13	17.6	70.4	FE
Pigging Equipment	Oil Launcher	102043	--	--	0.00	0.00	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Gas Launcher	102044	--	--	0.00	0.01	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Oil Receiver	102046	--	--	0.00	0.01	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Gas Receiver	114001	--	--	0.00	0.00	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Oil Launcher	114000	--	--	0.00	0.01	--	--	--	--	--	--	--	--	--	--	--	--	
	Gas Launcher	113999	--	--	0.00	0.01	--	--	--	--	--	--	--	--	--	--	--	--	
Sumps/Tanks/Separators	Waste Oil Sump	005500	--	--	0.00	0.00	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Skimmer Tank	005502	--	--	0.00	0.01	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Waste Water Tank	005503	--	--	0.00	0.01	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Slop tank	102082	--	--	0.00	0.01	--	--	--	--	--	--	--	--	--	--	--	--	FE
	Flotation Cell Unit	005501	--	--	1.84	7.36	--	--	--	--	--	--	--	--	--	--	--	--	FE
Solvent Usage	Cleaning/degreasing	004883	--	--	2.42	9.69	--	--	--	--	--	--	--	--	--	--	--	--	FE
Permit-exempt/Fed.Significant Unit	*Exempt Air Compressor*	*110757*	*2.01*	*8.03*	*0.14*	*0.55*	*0.43*	*1.73*	*0.00*	*0.00*	*0.14*	*0.56*	*0.14*	*0.55*	*0.14*	*0.55*	*74.4*	*297.8*	*FE*

TBD = to be decided