

- 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.

OCS Platform Houchin – Parcel OCS-P-0166, Carpinteria Field, Outer Continental Shelf

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

FINAL Part 70/APCD Permit to Operate No. 9109-R4

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

To provide some background, Beacon West officially assumed operational oversight of Platforms Houchin and Hogan on November 6, 2020. This (no longer producing) OCS platform was essentially abandoned for over one year prior to Beacon West arrival, and platform conditions have significantly deteriorated due to ocean exposure, lack of any mechanical integrity program, and non-operation since that time, which has created unsafe working conditions throughout the facility. Since assuming oversight, Beacon West has spent the majority of time inspecting the platform for potentially unsafe conditions and slowly correcting hazardous workplace issues where possible. Platform Houchin is essentially non-operational and permanently shut-in in anticipation of full facility decommissioning, with only well heads and deck drain tanks as current potential emissions sources. The facility flare is non-operational because there is no pilot gas source available since the sales gas pipeline from onshore has been shut in and there are no working cranes on the platform to allow for transport of bottled gas to service the flare. Note that of the 3 existing cranes on Platform Houchin 1 pedestal crane has been determined to be irreparable and the other 2 (1 pedestal and 1 jib crane) may be available for use pending further evaluation, repair and certification. Beacon West seeks variance coverage from the following District requirements for Platform Houchin, for the reasons provided:

1. ICE Engine Subpart ZZZZ maintenance – All engines on platform are currently inoperable, therefore this required annual maintenance cannot be performed.
2. IC Engine Source Testing – required biennial source testing for North Crane and Well Service Rig was last performed in 2018, and cannot be conducted since these engines are currently not operable.
3. Fugitive Component Inspection and Maintenance (I&M) Program – cannot be implemented due to unsafe conditions in well bay. Handrails and grating in this area require repair/replacement to allow for safe access, and these repairs cannot be conducted since there are no working cranes needed to transport construction materials from marine vessel onto the platform. The two existing cranes on Houchin are currently non-operational require replacement. Procurement, permitting and installation of new cranes is expected to take up to one year.
4. Produced Oil and Gas Sampling – required annually, cannot be performed since oil and gas production has permanently ceased.
5. Flare – not currently operational due to lack of gas supply, therefore required presence of pilot flame, and thermocouple monitoring, cannot be achieved.
6. Well gas venting - In the course of assessing excess emissions pursuant to Variance 2020-21-E (Houchin Well B-36 piping leak venting uncombusted through the flare stack), it was determined that well gas still appears to be venting through the flare stack following repair of the subject leak. Beacon

West has concluded that multiple valves associated with the Houchin well heads are leaking into the process system thereby creating potentially unsafe pressures on equipment and piping with unknown mechanical integrity. Unless the gas is safely diverted and vented through the flare stack, increased pressure on this equipment can present significant safety hazards and possibly induce additional leaks. Note the Bureau of Safety and Environmental Enforcement (BSEE) requires well casing de-pressurization when casing pressure exceeds 100 psig in accordance with the Casing Pressure Management program (30 CFR Part 250.519), which will also result in gas being vented to the flare stack.

Until which time the well heads can be comprehensively inspected to determine where the leaks are occurring and subsequent repairs are made there is no alternative to venting of well gas at Platform Houchin. The two primary obstacles to inspection and repair are 1) current lack of access to the wells due to current insurance liability constraints, 2) the unsafe working conditions associated with severely dilapidated handrails, decking, and grating of the well bay, and 3) inoperable cranes preventing material and equipment transfer to the platform. . The liability issue is expected to be resolved during the variance period. Handrail/grating and decking repairs will commence when an operable crane is available and may take up to one year to resolve.

While all efforts are being made to minimize emissions and create a safe working environment it should be made clear that the current well venting status is "as found" by Beacon West upon its assuming operatorship, and there are currently no safe control options available until the aforementioned actions are executed.

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.

1) Rule 325.E, Rule 331, Rule 359.D.2.b, Permit Conditions No. 9.C.1(b)(v), 9.C.1(b)(vi), 9.C.1(c)(i), 9.C.2(a), 9.C.2(b), 9.C.2(c), 9.C.2(d), 9.C.6.b.2, 9.C.6.b.3, 9.C.6.b.4, 9.C.9, 9.C.14 and 9.C.15.

- 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.

Compliance with subject requirements is beyond our reasonable control at this time due either 1) current or permanent out of service status of certain platform processes and equipment or 2) inability to conduct required monitoring due to safety concerns associated with current platform condition. Specifically, 1) maintenance and source testing of IC engines cannot be conducted since there are currently no operational engines

at the facility, and engines must be able to operate for these tasks to be conducted, and (2) process streams cannot be monitored since these streams have permanently ceased due to permanent shut in status of the facility.

In lieu of seeking a variance for Rule 331, Beacon West has thoroughly assessed Well Bay condition to determine if there is any possibility to safely work in this area to allow for regulatory compliance, and it has been established that the Well Bay cannot be safely accessed for Rule 331 implementation and inspection purposes until subject grating and handrail repairs are completed. With the requirement for working cranes to allow for repairs, the process of procuring, permitting and installing new cranes is expected to require up to one year at Platform Houchin.

For the monitoring which cannot be conducted because associated process and equipment are currently or permanently out of service, variance is the only available path until which time either equipment returns to service (at which time required monitoring will resume), or permit is modified to remove requirements for permanently out of service equipment. Such permit modifications are expected to be achieved during 2021 re-evaluation process.

Regarding the well gas venting, compliance is currently beyond our reasonable control because if well gas is not safely vented there would be unsafe pressure levels in equipment and piping of unknown mechanical integrity, which may result in imminent safety concerns. Based on deteriorated platform condition, the only possible path to compliance is to obtain variance coverage, plan for inspection, repair or replacement of cranes, then conduct structural repairs required for the evaluation and ultimate repair of well head valves and associated equipment. This variance is being sought immediately upon discovery that well gas is passing through the flare stack and that compliance cannot be achieved during the Breakdown period.

- 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.

Beacon West is unable to immediately comply with the subject requirements due to either the inability to 1) safely access certain areas of the platform or 2) perform required monitoring for equipment and processes are currently or permanently out of service. Regarding the well gas venting Beacon West is unable to immediately comply with the subject requirements due to the inability to safely access the Well Bay to inspect and eliminate leaks. The facility well bay is already closed from a practical standpoint since it was abandoned by previous Operator and recently delegated to legacy Responsible Parties to initiate facility decommissioning process.

- 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.

It is not possible to immediately comply with the subject requirements, for safety reasons, as previously stated. In the event that immediate compliance *could* be achieved, we would not expect a significant decrease in air contaminants if Rule 331 compliance could be implemented since fugitive components are assumed to be continuously leaking in small quantities *even when in compliance*, and mass excess emissions from components above leak thresholds would be minimally above baseline compliance emissions levels. There is no potential for air contaminants from other equipment and processes associated with this petition, since said equipment is out of service. Specific to the well gas venting, it is not possible to immediately comply with the subject requirements for safety and inoperable facility equipment reasons as previously stated. If

there was any way that Beacon West could safely eliminate leaks or combust resulting gas with an operating flare this would be done immediately.

- E. Please describe what consideration you have given to curtailing operation of the source in lieu of obtaining a variance.

Source operations have already been permanently curtailed, and the long-term decommissioning process has been initiated. Prior to recent arrival of Beacon West, the facility was essentially abandoned for an entire year with no environmental oversight, and Beacon West has since taken immediate measures to improve safety and environmental concerns, which have been completely neglected since October 2019.

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

Beacon West Operations will visually and audibly monitor fugitive components on Platform Hogan for observable leaks throughout the facility during the variance period, and will affect repairs whenever safe. There are no other excess emissions associated with his request. Specific to the well gas venting, Beacon West will work as efficiently as possible considering the current facility conditions to deploy a working crane required to enable structural repairs and subsequent well maintenance necessary to eliminate leaks resulting in venting.

- 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.

If requested, Beacon West proposes to quantify excess emissions (using component emission factors) based on any excessive leaks which are detected during the initial facility Method 21 inspection. Specific to the well gas venting, Beacon West proposes to quantify excess emissions using flare stack meter (if requested).

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: _____

Breakdown number (as provided by the District): N/A

- B. Please provide a description of the “breakdown condition”, including equipment involved and the cause to the extent it is known.

N/A

- C. 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?
No.

8. Please state whether or not any civil or criminal case involving the equipment subject to this variance is pending any court. There are no civil or criminal cases involving the equipment subject to this variance.

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: February 11, 2021

SIGNATURE: _____



TITLE: _____

EHSR Advisor

PRINT NAME: _____

John Garnett