

H.B. Case No.:	<u>2021-05-M1</u>
Petitioner:	<u>Beacon West Energy Group, LLC</u>
Permit No.:	<u>9108-04</u>
Date Rec'd:	<u>12/06/2021</u>
Time Rec'd:	<u>1620 hours</u>
Filing Fee Paid:	<u>\$649.00</u>

PETITION FOR VARIANCE

Type of Variance Requested:	
Emergency _____	Interim ¹ _____
90-Day _____	Regular <u>XX</u>
Length of Variance Requested:	Start Date <u>1-5-22</u>
	End Date <u>1-4-23</u>
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: Beacon West Energy Group LLC [Attn: John Garnett]
 Address: 1145 Eugenia Place #101
Carpinteria, CA 93013
 Phone Number: (805) 395-9676

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 1.A]
 Address: Email: john.garnett@beacon-west.com

 Phone Number: (805) 395-9676

C. The Petitioner is (please check one):

1) An Individual ()

- 2) Partnership (X)
- 3) Corporation ()
- 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 Hogan – 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. 9108-R4

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

Beacon West Energy Group LLC (Beacon West) requests a Regular Variance to allow additional time to establish a safe working environment on Platform Hogan, and subsequently implement full compliance where it cannot be achieved due to current facility operational status. This petition is being submitted for many of the same permit conditions and rule provision cited in Variance Order 2021-05-R. Beacon West is not pursuing further variance coverage for permit condition 9.C.15 (source testing), and 9.C.14 (process stream analysis), as the result of permitting solutions specifying that these conditions will only apply if the applicable equipment is operational. Inclusion of Condition 9.C.1.c.i in this petition is due to the North Crane now being operational, but source testing cannot be accomplished since the platform still cannot accommodate a testing trailer. In 2021 Beacon West continued inspecting the platform for potentially unsafe conditions and correcting hazardous workplace issues where possible. Platform Level One repairs were initiated in 2021 and are continuing. The platform remains closed to non-essential personnel until the safety priority Level One repairs are completed to allow for additional personnel and equipment to be deployed to the Platform. Platform Hogan remains non-operational and is permanently shut-in in anticipation of well plug & abandonment and full facility decommissioning, with only well heads, deck drain tanks and now returned to service North Crane as current potential emissions sources. A rubber tire (RT) crane is planned to be deployed to Platform Hogan Q1 2022 to support ongoing monitoring and maintenance activities, the South “Unit Crane” will be removed from the platform, rebuilt and planned for return to service in Q1 2023; the RT crane will remain on Platform Hogan to support platform work but will have a limited weight and reach capacity. Portable “Bullfrog” crane will be shared between Platforms Hogan and Houchin once this crane is finished supporting Houchin South Crane rebuild. The facility flare is non-operational while its return to service options are evaluated. Due to either safety issues preventing monitoring to be able to occur, or inability to conduct required maintenance and monitoring due to current or permanent out of service status of certain equipment and processes, Beacon West seeks variance coverage from the following District requirements for Platform Hogan, for the reasons provided:

1. ICE Engine Subpart ZZZZ maintenance – All engines on platform with exception of the North Crane are currently inoperable, therefore this required annual maintenance cannot be performed. Required maintenance has ensued for the North Crane. Note that the North Crane is currently restricted to weight and reach limits, constricting the ability to deploy all needed equipment to fully effect all platform repairs.
2. Fugitive Component Inspection and Maintenance (I&M) Program – this still cannot be implemented due to ongoing unsafe conditions in well bay. Handrails and grating in this area have been inspected and deemed unsafe, complete demo of all handrails and grating in this area is planned for Q1 2022. While there is

now one working crane on the platform, current conditions and Persons on Board (POB) limitations restrict platform access to essential workers only.

3. The flare remains non-operational as an assessment is underway to conduct necessary inspections and verify operational status, repairs and tasks for a planned return to service Q1 2022. There are currently no equipment or processes on Platform Hogan which require vapor recovery. The now operating North Crane cannot reach the flare boom therefore any necessary additional inspection or subsequent inspection repairs will require a portable crane.

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) District Rules 331.D-I, Rule 359.D.2.b and 206, 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(ii), 9.C.6.b(iii), and 9.C.6.b(iv).

- 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 to aforementioned current status of platform integrity, processes and equipment. Specifically, 1) maintenance of non-operational IC engines cannot be conducted, (2) the flare is being assessed for return to service for potential operation following conversion to propane, and (3) the North Crane is now operation but is reach limited and cannot support any repairs to the flare boom or tip as previously mentioned.

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.

Repairs to the platform have been made throughout 2021, but platform status is not yet to the point where additional equipment and personnel can be mobilized to effect all repairs needed for full compliance.

- 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 the inability for required personnel to safely access certain areas of the platform. The facility is already closed from a practical standpoint, since it was abandoned by previous Operator and recently delegated to legacy Responsible Parties to initiate facility monitoring and maintenance activities.

- 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.

The platform is not operating and will not resume production. Variance will allow for continuing repairs to prevent further deterioration and increased excess emissions. It is not possible to immediately comply with the subject requirements, for safety reasons, as previously stated. Upon its return to service, the North Crane has operated in compliance. There is no potential for air contaminants from other equipment and processes associated with this petition, since that equipment is out of service.

- 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 planning for decommissioning has been initiated. Prior to arrival of Beacon West, the facility was essentially abandoned for an entire year with no environmental oversight, and Beacon West has since taken daily measures to improve safety and environmental concerns by performing ongoing repairs to the structure during 2021, as reported in monthly updates required by Variance Order 2021-05-R

- 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, audibly, and use will use soap solution where safely accessible to monitor fugitive components on Platform Hogan for any potentially observable leaks throughout the facility during the variance period, and will affect repairs whenever safe. There are no other potential excess emissions associated with his request.

- 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.

Fugitive leak surveys will be done visually, audibly and by using a leak detection solution (soap solution), and when safe to do so by using a Method 21 device. If applicable, Beacon West will quantify excess emissions (using component emission factors) based on any excessive leaks which are detected during the initial facility Method 21 inspection, if this inspection occurs during the variance period.

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: December 21, 2021

SIGNATURE: _____



TITLE: _____

EHSR Advisor

PRINT NAME: _____

John Garnett