

H.B. Case No.: 2021-05-R

Petitioner: Beacon West Energy Group, LLC

Permit No.: 9108-R4

Date Rec'd: 01/08/21

Time Rec'd: 1617 hours

Filing Fee Paid: \$633.00

## PETITION FOR VARIANCE

### Type of Variance Requested:

Emergency \_\_\_\_\_ Interim<sup>1</sup> \_\_\_\_\_ 90-Day \_\_\_\_\_ Regular XX

Length of Variance Requested: Start Date 1-8-21

End Date 1-7-22

<sup>1</sup> 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 ( )
- 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 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.

As required, petition for Interim Variance is being submitted concurrently with this petition.

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 (i.e. rusting infrastructure due to ocean exposure) since that time, which has created a potentially 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. Platform Hogan is essentially non-operational and is permanently shut-in in anticipation of full facility decommissioning, with only well heads and deck drain tanks as current potential emissions sources. 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 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 Hogan are currently non-operational, and initial assessments indicate that it is possible that one crane may be repairable (any repairs would take approximately 4 months), and the other crane will need to be replaced. If the potentially repairable crane cannot be repaired, it also will need to be replaced. Procurement, permitting and installation of new crane(s) 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.

## 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 331, Rule 359.D.2.b.1, Rule 359.D.2.b.2, 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), 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 hand rail repairs are completed. With the requirement for working cranes to allow for repairs, the entire process of repairing/installing cranes and then conducting repairs is expected to take a minimum of 4 months, and potentially up to one year, at Platform Hogan.

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.

- 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. 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 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.

- 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.

- 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.

**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

