



air pollution control district
SANTA BARBARA COUNTY

HEARING BOARD STAFF REPORT

TYPE: REGULAR VARIANCE

CASE NO: 2022-05-R

DATE: July 1, 2022

1.0 GENERAL INFORMATION:

- 1.1 **PETITIONER COMPANY NAME:** Beacon West Energy Group, LLC (Beacon West)
- 1.2 **EQUIPMENT LOCATION:** Platform Hogan, Offshore Lease Tract OCS-P-0166
- 1.3 **PERMIT NUMBER(S):** Part 70 Permit to Operate 9108-R4
- 1.4 **FACILITY NAME/ID:** Platform Hogan/FID 8001
- 1.5 **FACILITY DESCRIPTION:** Platform Hogan is a nine leg, 66 wellhead slot platform. Oil and gas production has permanently ceased on Platform Hogan. All wells on the platform are currently shut-in while the facility awaits well plugging and abandonment and ultimately facility decommissioning. When the platform was in operation, sweet natural gas and crude oil emulsion were produced. Both products were transported via sub-sea pipelines to the La Conchita oil and gas plant in Ventura County. In addition to oil and gas related equipment (e.g. flare, storage tanks, vapor recovery system, etc.) the platform also has the following equipment: cranes and associated engines, emergency generator, and an emergency firewater pump. The platform is located approximately 8 miles southeast from the City of Santa Barbara.

- 2.0 **REASON FOR THE VARIANCE REQUEST:** The Petitioner is currently operating under Variance Order 2021-05-M1, which provides coverage from January 5, 2022 through January 4, 2023, or the date compliance is achieved, whichever occurs first. Variance Order 2021-05-M1 provides relief from the emission controls, monitoring, maintenance, and north crane source testing requirements at the Petitioner's facility. Variance Order 2021-05-M1 also includes coverage for a non-operational flare.

On May 4, 2022, a District Inspector conducted a fugitive leak inspection, per Rule 331, to determine if any hydrocarbon leaks were emanating from the permitted equipment. During the fugitive leak inspection, the District Inspector discovered hydrocarbon leaks emanating at a concentration greater than 50,000 ppm at wells A-14 and A-40.

The Petitioner's permit and District Rule 325.E.1 require emissions from produced gas to be controlled at all times. District Rule 325.E.1 further requires: a system handling gas for fuel, sale, or underground injection; a flare that combusts reactive organic compounds; or a device with a reactive organic compound vapor removal efficiency of at least 90% by weight. At this time, the Petitioner is unable to operate a control device for the following reasons: they are unable to process for sale, use as fuel or reinject the gas, the flare is not operational, and without a working crane with reach capacity and load requirements, they are unable to bring a device with 90% removal efficiency to the platform. The Petitioner states they are unable to comply with these requirements.

The Petitioner has evaluated the safety within the well bay and determined periodic venting of the gas to the flare header to address well pressure issues is preferred and the best option for worker safety. Due to potential safety issues associated with the high concentration of the

leaks, the Petitioner states the wells must be intermittently depressurized to reduce potential impact to workers. Routing the gas from the wells through the well header and then through the flare stack is safer because it is away from personnel. The Petitioner anticipates the periodic venting will prevent fugitive leaks within the well bay. The flare header currently does not have a flame. As a result, the Petitioner is requesting variance coverage.

Without Variance coverage, the Petitioner will be in violation of District Rules 325.E.1 and 206, Part 70 Permit to Operate 9108-R4, Condition 9.C.9.

- 3.0 BACKGROUND:** A Petition for Variance Order 2022-05-R was submitted on May 10, 2022 by Beacon West Energy Group, LLC. If granted, Regular Variance 2022-05-R would grant enforcement relief from the date a decision is made through May 9, 2023 or the date compliance is achieved, whichever occurs first.
- 4.0 PERMITTING HISTORY:** The Petitioner submitted an application for transfer of owner operator for Part 70 Permit to Operate 9108-R4 on November 20, 2020. The transfer of owner operator application was deemed complete on November 30, 2020 and issued on December 9, 2020.
- 5.0 COMPLIANCE HISTORY:** In the past three years, there have not been any Rule 325 violations issued to this facility.
- 6.0 REGULATORY ANALYSIS:** The Petitioner has requested the below permit conditions and rules to be included in the Variance Order.

- **Part 70 Permit to Operate 9108-R4, Condition 9.C.9 (Produced Gas)**

C.9 **Produced Gas.** POO-LLC shall direct all produced gases to the sales compressors, the flare header or other permitted control device when de-gassing, purging or blowing down any oil and gas well or tank, vessel or container that contains reactive organic compounds or reduced sulfur compounds due to activities that include, but are not limited to, process or equipment turnarounds, process upsets (e.g., well spikes), well blowdown and Bureau of Safety and Environmental Enforcement ordered safety tests. [Reference: District Rules 325, 331, PTO 9108]

- **District Rule 325.E.1 – Requirements for Produced Gas**

E. Requirements for Produced Gas

1. The emissions of produced gas shall be controlled at all times using a properly maintained and operated system that directs all produced gas, except gas used in a tank battery vapor recovery system, to one of the following:
 - a. A system handling gas for fuel, sale, or underground injection.
 - b. A flare that combusts reactive organic compounds,

c. A device with a reactive organic compound vapor removal efficiency of at least 90% by weight.

7.0 **EMISSIONS ANALYSIS:** Concentrations obtained during the May 2022 District inspection will be used to calculate the excess emissions during the variance period.

8.0 ***RESERVED***

9.0 **OTHER FACTORS:** None.

10.0 **DISTRICT RECOMMENDATION:** The District supports the Petitioner's variance request.

11.0 **ATTACHMENTS:**

- Attachment 1 – District Rule 325 – Crude Oil and Separation
- Attachment 2 – Draft Regular Variance Order 2022-05-R



Aimee Long, Air Quality Specialist
Compliance Division

June 21, 2022

Date