

H.B. Case No.:	<u>2021-05-M2</u>
Petitioner:	<u>Beacon West Energy Group, LLC</u>
Permit No.:	<u>PT 70/PTO 9108-R4</u>
Date Rec'd:	<u>November 7, 2022</u>
Time Rec'd:	<u>1537 hours</u>
Filing Fee Paid:	<u>\$686.00</u>

PETITION FOR VARIANCE

Type of Variance Requested:

Emergency _____ Interim¹ _____ 90-Day _____ Regular XX

Length of Variance Requested: Start Date 1-5-23

End Date 1-4-24

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 one of the permit conditions and associated rule provisions cited in Variance Order 2021-05-M1.

In 2022 Beacon West continued inspecting the platform for potentially unsafe conditions and correcting hazardous workplace issues where possible under the current maintenance and monitoring program. Platform Level One repairs were initiated in 2021, continued in 2022 and are mostly completed. Platform Hogan remains non-operational, wells shut-in and is permanently shutdown, with only well heads, deck drain tanks and North Crane as current potential emissions sources. By the time of this hearing the rubber tire (RT) crane was removed, the South “Unit Crane” was removed previously from the platform and has been completely refurbished and is planned for return to service in Q1 2023 on Platform Houchin. A portable crane will be installed at Platform Hogan, and will be shared between Platforms Hogan and Houchin, and Platform Hogan Unit (South) crane will subsequently reinstalled. The facility flare has been returned to service and is operational. Due to either safety issues preventing monitoring to be able to occur, Beacon West seeks variance coverage from the following District requirements for Platform Hogan, for the reasons provided:

1. Fugitive Component Inspection and Maintenance (I&M) Program – full I&M program still cannot be implemented due to deteriorated condition of wellheads which currently disallows repairs.
2. Increment of Progress (IOP) Extension - Note that all cranes for Platform Hogan will be installed by 3Q 2023: the Portable Crane is tentatively scheduled to be installed in April 2023, and South Crane is tentatively scheduled to be installed in July 2023. Crane installations will allow for repairs necessary to achieve compliance with aforementioned item #1. Please refer to the following IOP Table with proposed updated deadlines:

Increment of Progress/Associated Variance	Current IOP Date	Proposed IOP Date
Install south crane and begin operating it	1/4/2023	8/31/2023

With regard to the leaking wells, to enable us to address the fugitive emissions on Platform Hogan there will need to be a substantial mobilization of well repair

equipment to the platform. Required equipment will include a workover rig, fluid tanks, pumps and circulatory equipment. This equipment is needed from a well control perspective and will be used to kill each individual well prior to addressing each well issue. The scheduling for this equipment to be installed on Platform Hogan is not within Beacon West's scope of work under the maintenance and monitoring program. Note that there are a few wellhead clamps that have shown fugitive leaks; these wells will need a well work rig and associated equipment to enable safe well work and to address any contingencies that may occur during the well head investigations and repairs.

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, E, G.1, I, and 206, Permit Conditions, 9.C.2(a), 9.C.2(b).

- 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. In lieu of seeking a variance for Rule 331, Beacon West has made repairs to the Well Bay to allow for limited work in this area, but the deteriorated condition of the well heads necessitates waiting on any repair to well leaks until a well P&A program commences.

- 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 since the remaining compliance issues cannot be resolved until well work is initiated. The facility is already closed from a practical standpoint, since it was abandoned by previous Operator and subsequent Partial Stay Agreement for Certain Maintenance and Monitoring Activities To Preserve Lease Assets for Decommissioning was initiated.

- 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 until a well team and associated equipment are able to be deployed for well head repair and subsequent well plug & abandonment activities are initiated. 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 under the current maintenance and monitoring program. Significant repairs to decks, grating and handrails have been made to the entire platform in 2022, as reported in monthly updates required by Variance Order 2021-05-M1. These repairs have enabled Platform Hogan to accommodate additional maintenance and repair activities making the platform safer overall.

- 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 has been performing monthly Method 21 inspections since 2Q 2022, 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.

1) Fugitive leak surveys will be done visually, audibly and by using a leak detection solution (soap solution), and as well as monthly surveys per Method 21.

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: November 7, 2022

SIGNATURE: _____



TITLE: _____

EHSR Advisor

PRINT NAME: _____

John Garnett