

	Case No / Date	2024-04-E	03/27/2024
	Petitioner	Pacific Coast Energy Company LP	
	Permit #	PT 70/PTO 8240-R11	
	Date Rec'd	03/07/2024	
	Time Rec'd	2056 hours	
	FOR OFFICIAL USE ONLY		

**BEFORE THE HEARING BOARD
OF THE SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

In the Matter of the Application of)
Pacific Coast Energy Company LP for)
an Emergency Variance from District)
Rules 325.E.1, and 206, Part 70)
Permit to Operate 8240-R11,)
Conditions 9.C.7 and 9.D.6.

H.B. Case No. 2024-04-E

VARIANCE FINDINGS

AND ORDER

Pacific Coast Energy Company LP (Petitioner) filed a Petition for an Emergency Variance on March 7, 2024. A hearing of the Emergency Variance Petition was held on March 27, 2024. Marianne Strange represented the Petitioner, Aimee Long represented the Santa Barbara County Air Pollution Control District (District) and Terence Dressler represented the Hearing Board for this Emergency Variance Hearing.

This matter having been fully presented and duly considered, the Hearing Board makes the following findings and gives the following reasons for its decision.

HEARING

1. Notice of the Hearing was duly given in the manner and for the time required by law.
2. Sworn testimony and argument on behalf of the Petitioner and the Air Pollution Control Officer were made, received, and considered.
3. A nuisance as defined in District Rule 303 is not expected to occur as a result of this Variance.
4. Pursuant to Health and Safety Code section 42359.5, “good cause” exists for the granting of the Petitioner’s request for an Emergency Variance.
5. If, due to reasons beyond the control of the Petitioner, compliance is not achieved during this Variance period, additional relief will be sought.
6. District staff supports the Petition as conditioned below.

BACKGROUND AND FINDINGS

1. The Petitioner operates the equipment described in the Petition at the Newlove Lease located approximately 2.5 miles South of the town Orcutt, an unincorporated town in Santa Barbara County, California.
2. The Petitioner operates seventy-eight wells at the Newlove Lease that produce oil, water, and gas. The non-thermal operations utilize three 3,000 barrel wash tanks for oil-water separation and one 1,000 barrel crude storage tank. The lease has two wastewater tanks with a capacity of 10,000 barrels and a 1,000 barrels. All tanks are connected to vapor recovery. The collected vapors are combined with the gas from the gas gathering system and are piped to the Orcutt hill compressor Plant or to the Diatomite Project steam generators.
3. On March 7, 2024, during a District inspection, a leak at Newlove Well #02 was found to be leaking at approximately 78,000 ppm methane from the wellbore.
4. The Petitioner filed a request for Variance coverage the same day the leak was discovered.
5. On March 8, 2024, the Petitioner dug out the area around the well to determine the source of the leak. A weld on one of the conductors developed a small hole causing a leak. The faulty weld was repaired that same day. Re-inspection with a total vapor analyzer (TVA) was conducted; results were the same as background. The Newlove #002 does not have a well cellar.
6. Without Variance coverage, the Petitioner will be in violation of District Rules 325.E.1 and 206, and Part 70 Permit to Operate 8240-R11, Conditions 9.C.7 and 9.D.6.
7. If, due to reasons beyond the control of the Petitioner, successful repairs are not completed during this Variance period, additional relief will be sought.
8. The Petitioner will monitor, record, and quantify, on a daily basis, all emissions related to the granting of this Variance. Using the CAPCOA open-ended line of greater than 10,000 ppm calculation, the excess emissions associated with this Variance are expected to be 0.911 lbs/day.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That an Emergency Variance be granted for failing to control produced gas at all times on the Newlove Well #02 in violation of District Rules 325.E.1, and 206, Part 70 Permit to Operate 8240-R11, Conditions 9.C.7 and 9.D.6, from March 7, 2024 through April 5, 2024, or the date compliance is achieved, whichever occurs first, with the following conditions:

1. Petitioner shall submit a written report to the Hearing Board and District, to variance@sbcapcd.org, by April 19, 2024. The report shall include the date compliance was achieved, the cause of the leak, description of the corrective action taken, description of equipment brought onsite to fix the leak, daily monitoring records, and the dates, times, calculations, and actual excess emissions (lb/day) that occurred each day during the variance period.
2. Petitioner shall monitor, record, and quantify, on a daily basis, all emissions related to the granting of this Variance.
3. Petitioner shall retain the obligation to comply with all other local, state, and federal regulations not specifically referenced in the Order, such as complying with District requirements for temporary equipment that is brought onsite to repair the leak (e.g. diesel-powered portable equipment).
4. Failure to abide by all conditions of this Order shall subject the Petitioner receiving the variance to penalties set forth in Health and Safety Code section 42402.
5. In accordance with District Fees Rule 210, Schedule F.12.e, the Petitioner shall pay excess emission fees for each additional ton of pollutant emissions, or portion thereof, allowed as the result of the issuance of this Variance.
6. The Environmental Protection Agency does not recognize California's Variance Program; therefore, this Variance does not protect the Petitioner from Federal Enforcement actions.
7. Each day during any portion of which a violation occurs is a separate offense.
8. Petitioner shall submit deviation reports to the District for all violations of Federal requirements.

DATED: 27/03/24

Terence E. Dressler
Terence E. Dressler (Mar 27, 2024 21:07 PDT)

Terence Dressler
Santa Barbara County Air Pollution Control District
Hearing Board