

 <div>air pollution control district SANTA BARBARA COUNTY</div>	Case No / Date	2025-05-E	03/04/2025
	Petitioner	Pacific Coast Energy Company LP/Pacific Coast Energy Acquisitions, LLC	
	Permit #	8096-R12	
	Date Rec'd	02/20/2025	
	Time Rec'd	1451 hours	
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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/)
Pacific Coast Energy Acquisitions,)
LLC. for an Emergency Variance from)
District Rules 325.E.1, and 206,)
Permit to Operate 8096-R12,)
Conditions 1, 11, and 14.)

H.B. Case No. 2025-05-E

VARIANCE FINDINGS

AND ORDER

Pacific Coast Energy Company LP/ Pacific Coast Energy Acquisitions, LLC (Petitioner) filed a Petition for an Emergency Variance on February 20, 2025. A hearing of the Emergency Variance Petition was held on March 4, 2025. Rich Field 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 Morganti Lease located in the Casmalia Oil Field approximately 2 miles north of the town of Casmalia in Santa Barbara County, California.
2. Oil, water and gas are produced from twenty-four wells at the Petitioner's facility. Diluent is injected into the formation to enhance productivity at this facility. Production from the Arellanes Lease, Muscio Lease, N.R. Bonetti Lease and Righetti Lease are piped into the central processing facility located at the Petitioner's facility.
3. On February 19, 2025, during a District inspection, a leak from the ground adjacent to Morganti well #11 was found to be leaking at 22,500 ppm methane.
4. On that same day, a second leak from the well cellar on Morganti well #33 was found to be leaking at 35,500 ppm.
5. The Petitioner attempted to repair the leaks; however, additional time is needed to mobilize a work over rig to thoroughly inspect the integrity of the well casings to ensure all issues have been mitigated to prevent further issues.
6. The Petitioner filed a request for Variance coverage the following day the leaks were discovered.
7. Morganti wells #11 and #33 are currently idle with plans to resume production in the third or fourth quarter of 2025.
8. Without Variance coverage, the Petitioner will be in violation of District Rules 325.E.1 and 206, and Permit to Operate 8096-R12, Conditions 1, 11, and 14.
9. If, due to reasons beyond the control of the Petitioner, successful repairs are not completed during this Variance period, additional relief will be sought.
10. The Petitioner will monitor, record, and quantify, on a daily basis, all emissions related to the granting of this Variance. Excess emissions associated with this Variance are unknown at this time.

THEREFORE, THE HEARING BOARD ORDERS, as follows:

That an Emergency Variance be granted for failing to control produced gas at all times on the Morganti wells #11 and #33 until the repairs can be completed, which is in violation of District Rules 325.E.1, and 206, Permit to Operate 8096-R12, Conditions 1, 11, and 14, from February 20, 2025 through March 21, 2025, 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 15, 2025. 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, 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. Each day during any portion of which a violation occurs is a separate offense.

DATED: 03/04/2025

Terence E. Dressler
Terence E. Dressler (Mar 4, 2025 14:26 PST)

Terence Dressler
Santa Barbara County Air Pollution Control District
Hearing Board