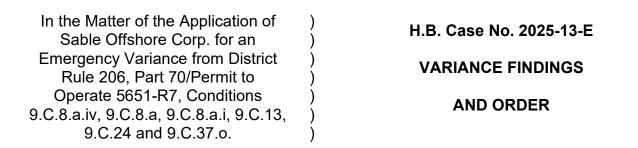


| Case No / Date | 2025-13-Е | 06/25/2025 |
|----------------|----------------------|------------|
| Petitioner | Sable Offshore Corp. | |
| Permit # | Part 70/PTO 5651-R7 | |
| Date Rec'd | 06/12/2025 | |
| Time Rec'd | 1738 hours | |
| | | |

FOR OFFICIAL USE ONLY

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



Sable Offshore Corp. (Petitioner) filed a Petition for an Emergency Variance on June 12, 2025. A hearing of the Emergency Variance Petition was held on June 25, 2025. Jim Nedry and Bart Leininger 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 cession 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

1. The Petitioner operates the equipment described in the Petition at Sable Offshore Corp. (Sable) Las Flores Canyon Oil and Gas Processing Plant located approximately 25 miles northwest of the City of Santa Barbara, California.

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- 2. The Petitioner's main operating permit, PT 70/PTO 5651-R7, authorizes the operation of equipment and processes located at the Las Flores Cayon Oil and Gas Plant (LFC), which is part of the Sable Santa Ynez Unit (SYU) Project. The SYU Project develops production from three platforms (Platforms Hondo, Harmony and Heritage) located offshore in the Santa Barbara Channel.
- 3. The Petitioner's onshore facility, LFC, is subdivided into the following plants: Oil Treating Plant (OTP), Stripping Gas Treating Plant (SGTP), Transportation Terminal (TT) and cogeneration Power Plant (CPP).
- 4. The equipment listed in the petition is associated with the Stripping Gas Treating Plant (SGTP) which produces a sweet fuel gas for use in the onshore facilities. Natural gas liquids (NGL) sweetening system and sulfur are also produced. Acid gases from the fuel gas amine system, NGL sweetening system, and OTP water treating system are treated in a Sulfur Recovery Unit (SRU) (a combination of the Claus and tail gas units). A small quantity of acid gas remaining after cleanup in the tail gas unit is incinerated at the Waste Gas Incinerator (EAL-4603).
- 5. The Petitioner's permit limits start-up activities for the SGTP to 48 hours following the introduction of sour gas into the SGTP.
- 6. On June 9, the Petitioner introduced source gas into the SGTP to begin the start-up period, thus beginning the 48 hour timeline.
- 7. The process of restarting the SGTP is complex and requires preconditioning of the hydrogeneration reactor catalyst bed. The hydrogeneration reactor converts sulfur compounds in the tail gas of the sulfur recovery unit to hydrogen sulfide and then be removed in the tail gas amine contactors.
- 8. The catalyst used in the reactor must be converted to their active sulfide form prior to use in a start-up preconditioning process called presulfiding. Presulfiding consists of sweeping the catalyst with a gaseous stream which contains hydrogen and hydrogen sulfide at a high temperature. During the presulfiding process, the exhaust stream from the hydrogenation reactor is sent to the waste gas incinerator for conversion of sulfur compounds to sulfur

dioxide.

9. The Petitioner's facility is currently receiving a very limited amount of emulsion (crude oil and produced water mixture) from Platform Harmony, due to the platform being brought back into service.

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- 10. Because a very low volume of produced gas, and therefore low volume and concentration of hydrogen sulfide is entrained in the emulsion, the required presulfiding process is taking much longer the allotted permitted limit of 48 hours.
- 11. As a result, the Petitioner is requesting additional time (7 days) of operation in maintenance mode in order to completely presulfide the reactor catalyst.
- 12. During the extended start-up period, the SOx and NOx emissions are expected to be higher than normal operating parameters.

FINDINGS

- 1. Without Variance coverage, the Petitioner will be in violation of District Rule 206, Part 70/Permit to Operate 5651-R7, Conditions 9.C.8.a. 9.C.8.a.iv., 9.C.8.a.i 9.C.13, 9.C.24 and 9.C.37.o.
- 2. Pursuant to Health and Safety Code section 42359.5, "good cause" exists for the granting of Petitioner's request for an Emergency Variance.

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THEREFORE, THE HEARING BOARD ORDERS, as follows:

That an Emergency Variance be granted for operating the Petitioner's facility for continued operation of the Stripping Gas Treating Plant (SGTP) in violation of the quarterly limit, which is in violation of District Rule 206, Part 70/Permit to Operate 5651-R7, Conditions 9.C.8.a. 9.C.8.a.iv., 9.C.8.a.i 9.C.13, 9.C.24 and 9.C.37.o, from June 12, 2025 through June 24, 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 <u>variance@sbcapcd.org</u>, by July 15, 2025. The report shall include the date compliance was achieved and actual excess emissions (lb/day), if any, that occurred 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.
- 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. 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.

| DATED: | 06/25/2025 | _ | |
|--------|------------|--|--|
| | | Terence E. Dressler | |
| | | Terence E. Dressler (Jun 25, 2025 14:35 PDT) | |

Terence Dressler Santa Barbara County Air Pollution Control District Hearing Board

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