

SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT
POLICIES AND PROCEDURES

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Topic:	<u>Storage of Diluent and Application of Rules 325</u>		
Distribution:	<u>Engineering Division Staff</u>		

SUMMARY:

This policy provides guidance in applying District Rule 325 to the storage of diluent as it is used at crude oil and natural gas production and processing facilities. In summary, as discussed below, diluents are used in the production and processing of crude oil, which are regulated by District Rule 325.

BACKGROUND:

Diluents are light-weight petroleum materials which are blended with lower gravity, more viscous crude oils to assist in the production, processing, separation, and marketing of these crude oils by raising the API gravity. This enables the crude oil to flow freely and serves in the processing of produced crude oil. Diluents can consist of kerosene distillate (KD), refined gas oils, or unrefined light gravity crude oil. Compared to the low gravity Santa Barbara County crude oils, diluents are less viscous, organic compound liquids with a higher API gravity.

ANALYSIS:

Diluent is used to assist the production and separation of crude oil in several ways. Some of these uses are:

1. Injecting diluent into the subsurface producing formation.
2. Injecting diluent into the flowline at the well head.
3. Commingling diluent at the tank farm.

All of the previously mentioned uses of diluent primarily increase the gravity of the oil which allows it to flow freely. This use of diluent, and the storage of diluent for this use, categorizes it as equipment used

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in the production of crude oil. Therefore, the storage of diluent that is used in the production and processing of crude oil at oil and gas production facilities is regulated by Rule 325. Any request to deviate from this policy must be approved, in writing, by the Permitting Section Supervisor of the Engineering Division.