

ACTION SUMMARY
Official

March 5, 2008

Hearing Board

BOARD OF SUPERVISORS HEARING ROOM
Betteravia Government Center
511 East Lakeside Parkway
Santa Maria, CA

APCD Hearing Board Members:

Donald R. Ward
Dr. Francis P. Lagattuta
Robert J. Saperstein, Vice-Chair
David Schmarje, Chair
David Van Mullem, Jr.

- I. 9:35 a.m. - Roll Call – Absent: Ward
- II. Election of Chair and Vice-Chair for 2008

Lagattuta/Saperstein Retain Chair Schmarje and Vice-Chair Saperstein for 2008.

Absent: Ward
- III. Administration of Oath to Participants

All participants were sworn in.
- III. Approval of minutes of the June 6, 2007 meeting

Saperstein/Lagattuta Approved.

Absent: Ward
- V. Requests for continuance or addition of Ex-Agenda items

None
- VI. Announcements/Staff Reports

None. Board member Saperstein inquired about any upcoming Advanced Hearing Board workshops. The clerk responded that the ARB had not scheduled any to date.
- VII. Public Comment Period

There were no public comments.
- VIII. Public Hearings
 - 1) Case No. 03-08-R – ExxonMobil Production Company
P.O. Box 4358, Houston, TX 77210-4358

Clerk of the APCD Board:

Terence E. Dressler

Hearing – To consider an application by ExxonMobil Production Company (Petitioner) for a Regular Variance from District Rule 206, Condition 9.C.1(a)(i) and (b)(vi) of Part 70 Permit to Operate 5651. The Petitioner operates a 39 megawatt gas-fired turbine

generator at their Las Flores Canyon gas processing plant located approximately 25 miles northwest of Santa Barbara, CA which provides electrical power to operate the Santa Ynez Unit onshore and offshore facilities. During the months of October and November 2007, the Petitioner experienced five NOx emission excursions resulting in approximately 1.10 lbs. excess emissions of NOx for each incident. The Petitioner has been operating the gas turbine generator under an Emergency and 90-Day Variance since November 21, 2007 and is seeking additional variance protection until April 30, 2009 or the scheduled 2009 facility shutdown, whichever occurs first.

Jim Nedry and Sandra Combe appeared on behalf of the Petitioner. Craig Strommen and Terry Snyder represented the District; Jerry Czuleger acted as Counsel for the Hearing Board.

Following testimony by the Petitioner and the District, the Hearing Board discussed and agreed the six findings had been met.

Saperstein/Van Mullem, Jr.

Granted a Regular Variance for the period of March 17, 2008 through April 30, 2009 with conditions as specified in the Findings and Order including a written quarterly report to the Hearing Board and District.

Absent: Ward

- 2) Case No. 07-08-R – ExxonMobil Production Company
P.O. Box 4358, Houston, TX 77210-4358

Hearing – To consider an application by ExxonMobil Production Company (Petitioner) for a Regular Variance from District Rule 359.D.2.b.1 and b.3. The Petitioner operates a flare for the purpose of burning high pressure sour produced gas from Platform Harmony which is located approximately 18 miles west of the City of Santa Barbara, CA. Due to malfunctioning of the pilot/igniter assemblies, Petitioner was granted an Emergency Variance on January 10, 2008. On February 8, 2008, the Petitioner sought additional variance protection through April 30, 2009 by filing a Petition for both an Interim (Case No. 06-08-I) and Regular (Case No. 07-08-R) Variance. As of the date of filing, one of the three pilots is still operational, as are all three automatic ignition systems. The Petitioner has committed to offsetting any excess emissions, subject to APCD approval, that may occur during the variance period by implementing temporary mitigating options if a flare flame outage occurred that resulted in the venting of raw gas to the atmosphere.

Steve Shively, Jim Nedry, Sandra Combe, and Ken Musante appeared on behalf of the Petitioner. Craig Strommen and Terry Snyder represented the District; and Jerry Czuleger acted as Counsel for the Hearing Board.

Following testimony by the Petitioner and the District, the Hearing Board discussed and agreed the six findings had been met.

Saperstein/Van Mullem, Jr.

Granted a Regular Variance for the period of March 5, 2008 through April 30, 2009 with conditions as specified in the Findings and Order including a written quarterly report to the Hearing Board and District.

Absent: Ward

IX. Administrative Agenda - Receive and File:

The following Emergency, Interim, and 90-Day Variance Orders and Modification of Increments of Progress have been approved by the Air Pollution Control District Hearing Board. These orders are available for inspection and reproduction at the Office of the Air Pollution Control District:

**A-1) Case No. 15-07-E – Santa Maria Refining Company
6527 Dominion Road, Santa Maria, CA 93454**

On May 18, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 206 Condition 2.m.iii of Permit to Operate 8259 and Rule 326 due to non-compliance of storage Tank No. 40002 at the Santa Maria Asphalt Refinery on Sinton Road in Santa Maria for the period of May 16, 2007 through June 14, 2007.

**A-2) Case No.16-07-I – E&B Natural Resources Management Company
P.O. Box 179, New Cuyama, CA 93254**

On May 24, 2007 Hearing Board member Dr. Frances Lagattuta approved an Interim Variance providing variance protection to the Petitioner from District Rule 333.D.1.a and Rule 206, Condition 9.C.2.a.1 of Part 70/Permit to Operate 8010-R5 as a result of a failed source test due to “wet gas” at the South Cuyama Unit on Perkins Road in New Cuyama for the period of May 23, 2007 through August 20, 2007, or the date of decision of the Hearing board on the application for a 90-Day variance (17-07-N), whichever occurs first.

**A-3) Case No. 17-07-N – E&B Natural Resources Management Company
P.O. Box 179, New Cuyama, CA 93254**

On August 3, 2007 the 90-day variance was withdrawn due to compliance.

**A-4) Case No. 18-07-N – U.S. Air Force
Vandenberg Air Force Base, CA 93437-5319**

On June 8, 2007 the Petitioner filed a 90-Day variance for the temporary shut-down of the Prevention of Significant Deterioration monitoring station associated with the South Vandenberg AFB Power Plant which was not needed and was withdrawn on June 18, 2007.

**(A-5) Case No. 19-07-E – Santa Maria Refining Company
6527 Dominion Road, Santa Maria, CA 93454**

On June 18, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 326 due to small ruptures in roof-side seam of Tank No. 10009 at the Santa Maria Asphalt Refinery on Sinton Road in Santa Maria for the period of June 8, 2007 through June 9, 2007.

**(A-6) Case No. 20-07-I – Plains Exploration and Production Company
201 S. Broadway, Orcutt, CA 93455**

On June 21, 2007 Hearing Board Chair David Schmarje approved an Interim Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.3.(b)(i) and 9.C.17 of Part 70/Permit to Operate 6798 regarding excess of permitted purge rates while vapor recovery system is taken out of service for required maintenance at the Lompoc Oil and Gas Plant for the period of June 25, 2007 through June 28, 2007.

A-7) Case No. 21-07-N – Plains Exploration and Production Company

201 S. Broadway, Orcutt, CA 93455

Petition was withdrawn on June 28, 2007 due to operations coming into compliance.

(A-8) Case No. 22-07-E – Plains Exploration and Production Company
201 S. Broadway, Orcutt, CA 93455

On June 21, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 331. E.1.f regarding the continued operation of the gas injection compressor on Platform Harvest with a leaking gas shut-down value for the period of June 22, 2007 through June 26, 2007.

(A-9) Case No. 23-07-E – DCOR
290 Maple Court, Suite 290, Ventura, CA 93003

On June 27, 2007 Hearing Board member David Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 325, Condition C.7.(b)(i) of Permit to Operate 9107 regarding the continued operation of Platform Habitat with the vapor recovery unit out of service for needed repairs for the period of June 26, 2007 through July 25, 2007 or until repairs can be made and the unit is operational, whichever comes first.

(A-10) Case No. 26-07-E – Greka Oil & Gas, Inc.
6527 Dominion Road, Santa Maria, CA 93454

On July 5, 2007 Hearing Board member David Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rules 325 and 346 of Permit to Operate 8254-R6 for the continued operation of the Union Sugar lease's 3,000 barrel wash tank, 1,000 barrel crude tank and truck loading rack in violation of the vapor recovery requirements for the period of July 5, 2007 through July 17, 2007.

(A-11) Case No. 27-07-E – Plains Exploration and Production Company
201 S. Broadway, Orcutt, CA 93455

On August 6, 2007 Hearing Board member David Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.14 of Part 70/Permit to Operate 6708 and the 1990 Air Quality Monitoring Protocol for the continued operation of the Lompoc Oil and Gas Plant due to the removal of the monitoring equipment as a result of an ordered evacuation of the Paradise Road Monitoring Station issued during the Zaca Fire for the period of August 6, 2007 through September 4, 2007.

(A-12) Case No. 28-07-E – Greka Oil & Gas, Inc.
6527 Dominion Road, Santa Maria, CA 93454

On September 5, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 325 of Permit to Operate 8219 for the continued operation of the Battles Lease without an operable vapor recovery compressor for the period of August 31, 2007 through September 14, 2007, or until vapor recovery as been restored to the tank battery, whichever occurs first.

(A-13) Case No. 29-07-E – Southern California Gas Company
1171 More Ranch Road, Goleta, CA 93117

On September 12, 2007 Hearing Board member David Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from the requirements

of District Rule 206, Condition 9.C.1, Table C.1-2 of Permit to Operate 9584-R2 due to nitrogen oxide exhaust gas exceeding the permitted concentration limit for the La Goleta Facility's main gas compressor Unit #5 for the period of September 12, 2007 through September 26, 2007.

**(A-14) Case No. 30-07-E – Celite Corporation
2500 Miguelito Road, Lompoc, CA 93436**

On September 14, 2007 Hearing Board member Donald Ward approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rules 206 and 306, Conditions 9.B.5 and 9.C.4(a) of Permit to Operate 5840 due to failed source test of No. 5 system furnace and kiln as a result of particulate matter emissions in excess of the process weigh rate allowable limit at the Celite plant for the period of September 14, 2007 through October 14, 2007.

**(A-15) Case No. 31-07-E – Pacific Operators Offshore, L.L.C.
1145 Eugenia Place, Suite 200, Carpinteria, CA 93013**

On September 26, 2007 Hearing Board Vice-Chair Robert Saperstein approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rules 206, and 333 E.3, Condition 9.C.1.(c)(iii) of Permit to Operate 9108-R2 due to inability to perform required emissions testing on the North Crane on Platform Hogan for the rest of the month of September 2007.

**(A-16) Case No. 32-07-E – Greka Oil & Gas, Inc.
6527 Dominion Road, Santa Maria, CA 93454**

On September 26, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 325 of Permit to Operate 10166 for the continued operation of the crude oil storage tank 2Z1 located at the Chamberlin Lease while repairing the leak on September 20, 2007.

**(A-17) Case No. 12-07-MSa – County of Santa Barbara Public Works, Neo Tajiguas LLC
& MM Tajiguas Energy LLC, Tajiguas Landfill, 14470 Calle Real, Goleta, CA 93117**

On September 26, 2007 Hearing Board Vice-Chair Robert Saperstein approved a Modification of Schedule of Increments of Progress for Regular Variance Case No. 02-07-R to amend monitoring requirements and submit the plan amendment to the APCD by October 8, 2007. The original variance period of March 7, 2007 to March 5, 2008 remains unchanged.

**(A-18) Case No. 33-07-E – Plains Exploration and Production Company
201 Broadway, Orcutt, CA 93455**

On September 26, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.2.(a) of Part 70/Permit to Operate 9104 due to failed source test of Turbine Generator G-94 to comply with the ROC emission limits on Platform Hermosa for the period of September 25, 2007 through October 24, 2007.

**(A-19) Case No. 34-07-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On October 1, 2007 Hearing Board member David Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Conditions 9.C.2(c)(i) and (iv) of Part 70/Permit to Operate 5651 due to faulty flare header flow meters on Thermal Oxidizer (EAW-1601) at the Santa Ynez Unit Las

Flores Canyon oil and gas treating facility for the period of October 3, 2007 through November 1, 2007.

(A-20) Case No. 35-07-E – BreitBurn Energy Company
1515 Orcutt Hill Road, Orcutt, CA 93455

On October 15, 2007 Hearing Board member David Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rules 206 and 333 sections D, E, F, and G, Condition 9.C.2.C of Part 70/Permit to Operate 8039 for the continued operation of Petitioner's 175 horsepower M&M 800 natural gas fired engine due to the failure of the Newlove injection transfer pump normally operated by a 150 hp. electric motor at Orcutt Hill Field for the period of October 14, 2007 through November 12, 2007, or the date by which compliance is achieved, whichever occurs first.

(A-21) Case No. 36-07-E – Celite Corporation
2500 Miguelito Road, Lompoc, CA 93436

On October 25, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rules 206 and 306, Condition 9.B.5 of Permit to Operate 5840 for the continued operation of System #5 while the Line 6 Cleanable High Efficiency Air Filter furnace and kiln are repaired due to particulate matter emissions in excess of the process weight rate allowable limit for the period of October 24, 2007 through November 23, 2007.

(A-22) Case No. 37-07-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117

On November 19, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.2(c)(iii) of Part 70/Permit to Operate 5651 regarding excessive H₂S flaring at the Las Flores Canyon Oil and Gas Treating Facilities for the period of November 19, 2007 through December 4, 2007.

(A-23) Case No. 38-07-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117

On November 21 2007 Hearing Board member Donald Ward approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.1(a)(i) and 9.C.1(b)(iv) of Part 70/Permit to Operate 5651 regarding excessive NO_x emissions at the Heat Recovery Steam Generator outlet stack at Las Flores Canyon Oil and Gas Treating Facilities for the period of November 21, 2007 through December 6, 2007.

(A-24) Case No. 39-07-N – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117

On December 18, 2007 Hearing Board Chair David Schmarje approved a 90-Day Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.2(c)(iii) of Part 70/Permit to Operate 5651 regarding excessive H₂S flaring from the LP flare header at the Las Flores Canyon Oil and Gas Treating Facilities for the period of December 18, 2007 through March 2, 2008.

(A-25) Case No. 40-07-N – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117

On December 18, 2007 Hearing Board Chair David Schmarje approved a 90-Day Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.1(a)(i) and 9.C.1(b)(iv) of Part 70/Permit to Operate 5651 regarding excessive

NOx emissions at the Heat Recovery Steam Generator outlet stack at Las Flores Canyon Oil and Gas Treating Facilities for the period of December 18, 2007 through March 16, 2008.

**(A-26) Case No. 42-07-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On December 20, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.2(c)(i) and 9.C.2(c)(iv) of Part 70/Permit to Operate 5651 regarding the acid gas meter indicating a false flare flow due to a bad heater in the flow sensor at the Las Flores Canyon Oil and Gas Treating Facilities for the period of December 19, 2007 through January 2, 2008.

**(A-27) Case No. 43-07-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On December 26, 2007 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 331 E.1.f of Part 70/Permit to Operate 9100 regarding leaking valve SDV-305-4 on injection gas compressor CZZ-305 on Platform Hondo for the period of December 23, 2007 through January 6, 2008.

**(A-28) Case No. 44-07-I – Venoco, Inc.
6267 Carpinteria Avenue, Suite 100, Carpinteria, CA 93013**

On January 3, 2008 Hearing Board Chair David Schmarje approved an Interim Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Conditions 9.C.2(c)(ix) and 9.C.11 of Part 70/Permit to Operate 7904-R7 regarding exceeding CO₂ inlet concentration limits at the Ellwood Oil & Gas Processing Facility for the period of December 27, 2007 through February 6, 2008 or the date of the next regularly scheduled Hearing Board meeting, not to exceed 90 days.

**(A-29) Case No. 45-07-N – Venoco, Inc.
6267 Carpinteria Avenue, Suite 100, Carpinteria, CA 93013**

On February 6, 2008 Hearing Board member David Van Mullem, Jr. approved a 90-Day Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Conditions 9.C.2(c)(ix) and 9.C.11 of Part 70/Permit to Operate 7904-R7 regarding exceeding CO₂ inlet concentration limits at the Ellwood Oil & Gas Processing Facility for the period of

**(A-30) Case No. 01-08-N – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

Extension of Case No. 42-07-E – Withdrawn on 1/16/08 due to compliance prior to the 1/18/08 scheduled hearing.

**(A-31) Case No. 02-08-E – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117**

On January 11, 2008 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 359.D.2.b.1 of Part 70/Permit to Operate 9101 regarding failure of the required pilot light/igniter assembly on Platform Harmony for the period of January 10, 2008 through February 8, 2008.

(A-32) Case No. 04-08-N – Southern California Gas Company

1171 More Ranch Road, Goleta, CA 93117

On February 19, 2008 Hearing Board Vice-Chair Robert Saperstein approved a 90-Day Variance providing variance protection to the Petitioner from the requirements of District Rules 206 and 333 D.1.a, Conditions 9C.1(a) and 9C.1(B)4 of Part 70/Permit to Operate 9584-R2 due to excess emissions during post-overhaul “break-in” period of the facility’s Main Unit #7 natural gas-fueled engine and integral compressor at the More Road facility in Goleta for the period of February 19, 2008 through May 19, 2008, or the date that the break-in period of the engine is complete, not to exceed 150 hours of runtime.

(A-33) Case No. 05-08-E – Greka Oil and Gas, Inc.
6527 Dominion Road, Santa Maria, CA 93454

On January 29, 2008 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 344 of Part 70/Permit to Operate 8076 as a result of strong winds that blew the required flexible float cover off its anchors exposing the sump at the Blochman Lease resulting in excess ROC emissions to the atmosphere for the period of January 28, 2008 through February 11, 2008.

(A-34) Case No. 06-08-I – ExxonMobil Production Company
12000 Calle Real, Goleta, CA 93117

On February 6, 2008 Hearing Board Chair David Schmarje approved an Interim Variance providing variance protection to the Petitioner from the requirements of District Rule 359.D.2.b1 and b.3 of Part 70/Permit to Operate 9101 due to failure of the required pilot light/igniter assembly on Platform Harmony for the period of February 7, 2008 to March 5, 2008.

(A-35) Case No. 08-08-E - Greka Oil and Gas, Inc.
6527 Dominion Road, Santa Maria, CA 93454

On February 5, 2008 Hearing Board member David Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 344 of Part 70/Permit to Operate 8869 as a result of petroleum fluids remaining in an emergency pit beyond permitted time allowed at the Bell Lease resulting in excess ROC emissions for the period of January 31, 2008 through February 14, 2008.

The following Emergency, Interim and 90-Day Variance Petitions were denied by the Air Pollution Control District Hearing Board. This order is available for inspection and reproduction at the Office of the Air Pollution Control District:

(A-36) Case Nos. 24-07-I/25-07-N – Greka Oil & Gas, Inc.
6527 Dominion Road, Santa Maria, CA 93454

On July 3, 2007 Hearing Board member David Van Mullem, Jr. denied an Interim Variance to the Petitioner from the requirements of District Rule 325 based upon testimony presented by both the Petitioner and District because the Petitioner was unable to demonstrate that the non-compliance with the vapor recovery requirements of District Rule 325 was “due to conditions beyond the reasonable control of the petitioner.”

(A-37) Case No. 41-07-E – Greka Oil & Gas, Inc.
6527 Dominion Road, Santa Maria, CA 93454

On December 18, 2007 Hearing Board Chair David Schmarje denied an Emergency Variance to the Petitioner from the requirements of District Rule 344.E.8 based upon testimony presented by both the Petitioner and District for lack of “good cause” in support of Petitioner’s request.

Lagattuta/Van Mullem, Jr.

Received and filed.

Absent: Ward

X. Adjourn

The meeting was adjourned at 10:48 a.m.

ANNOUNCEMENTS

The next regularly scheduled first Wednesday of the month meeting date and place of the Santa Barbara County Air Pollution Control District Hearing Board will be determined.