



ACTION SUMMARY
Official

July 2, 2008

Hearing Board

BOARD OF SUPERVISORS HEARING ROOM
County Administration Building
105 East Anapamu Street
Santa Barbara, 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. 9:32 a.m. - Roll Call – Absent: Ward
- II. Administration of Oath to Participants
All participants were sworn in.
- III. Approval of minutes of the March 5, 2008 meeting
Saperstein/Lagattuta Approved.
Absent: Ward
- IV. Requests for continuance or addition of Ex-Agenda items
None.
- V. Announcements/Staff Reports
None.
- VI. Public Comment Period
None.

Bill Dillon, County Counsel representing the District, stated that the Hearing Board Counsel, Jerry Czuleger was unexpectedly called away and that he would be present, but was not acting as the Hearing Board's Counsel.

VII. Public Hearings

- 1) Case No. 14-08-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 206, Condition 9.C.2(c)(iv) of Part 70 Permit to Operate 9100 and Rule 359.D.2.b.1. The Petitioner operates a flare for the purpose of burning high pressure sour produced gas from Platform Hondo's flare gathering system. The platform is located approximately 15 miles west of the City of Santa Barbara. The flare consists of three pilot/igniter assemblies surrounding a flare

Clerk of the APCD Board:

Terence E. Dressler

tip on the end of the flare boom. The Petitioner is required to ensure the presence of a flame in the pilot of the flare be continuously monitored using a thermocouple or an equivalent device that detects the presence of a flame. On May 5, 2008 the Petitioner sought and was granted Emergency Variance 12-08-E until May 19, 2008 due to the failure of the #2 pilot. On May 20, 2008 the Petitioner sought additional variance protection through April 30, 2009 by filing a Petition for both an Interim Variance and Regular Variance (Case Nos. 13-08-I/14-08-R) due to a faulty thermocouple on the #2 pilot. The faulty thermocouple cannot be replaced without a complete shutdown of Platforms Hondo, Harmony and Heritage and isolation of the flare system. A field-wide shutdown is scheduled to occur in March 2009. The granting of Petitioner's variance request will result in minimal excess pollutant emissions in that should the pilot extinguish, it would be relit quickly due to its close proximity to the continuous flare flame.

Jim Nedry and Sandra Combe appeared on behalf of the Petitioner; Craig Strommen represented the District.

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

Lagattuta/Saperstein

Granted a Regular Variance for the period of July 2, 2008 through April 30, 2009 with conditions as specified in the Findings and Order.

Absent: Ward

At 9:45 a.m. the hearing was suspended and the room was evacuated due to a fire drill.

The hearing was reconvened at 9:55 a.m.

- 2) Case No. 17-08-R –All Ways Drilling, Inc.
4110 E. Ventura Blvd., Camarillo, CA 93011

Hearing – To consider an application by All Ways Drilling (Petitioner) for a Regular Variance from the Airborne Toxic Control Measure (ATCM) for diesel particulate matter from portable engines rated at 50 horsepower (hp) and greater and APCD Rule 333. Petitioner wishes to operate two diesel-fueled deck engines (approximately 90 and 180 hp) on portable drilling rigs in violation of the ATCM until new engines that comply with the applicable regulatory requirements can be obtained. Interim Variance 16-08-I was approved on June 19, 2008. Anticipated duration of the Regular Variance is until December 31, 2009.

David Sissum, Jr. appeared for the Petitioner; Michael Broughton represented the District.

Following testimony by the Petitioner and the District, the Hearing Board discussed the conditions of the variance and Increments of Progress with the Petitioner and confirmed that all deadlines could be made. The Hearing Board agreed the six findings had been met.

Lagattuta/Saperstein

Granted a Regular Variance for the period of July 2, 2008 through December 31, 2009 with conditions and Increments of Progress as specified in the Findings and Order.

Absent: Ward

The following Emergency and Interim Variance Orders 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. 09-08-E – Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455

On February 14, 2008 Hearing Board Chair David Schmarje approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 325.D Condition 9.C.2.(a)(i) of Part 70/Permit to Operate 7126 due to failure of the make-up gas to the vapor recovery unit and tank system at the Lompoc Oil Field for a one-day period.

A-2) Case No.10-08-E – ExxonMobil Production Company
P.O. Box 4358, Houston, TX 77210-4358

On February 21, 2008 Hearing Board member David Van Mullem, Jr. approved an Emergency Variance providing variance protection to the Petitioner from Conditions 9.C.2.(c)(i) and (iv) of Part 70/Permit to Operate 8092 as a result of a malfunction of the flare flow system at the POPCO gas processing plant for the period of February 21, 2008 through March 21, 2008.

A-3) Case No. 11-08-E– Plains Exploration and Production Company
201 South Broadway, Orcutt, CA 93455

On April 22, 2008 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.(a) of Part 70/Permit to Operate 9103 due to failure of the annual CO test of Turbine Generator G-700E on Platform Harvest for the period of April 28, 2008 through May 24, 2008.

A-4) Case No. 12-08-E– ExxonMobil Production Company
P.O. Box 4358, Houston, TX 77210-4358

On May 6, 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 9100 as a result of inability to relight #2 pilot light/igniter assembly due to a failed control circuit board on Platform Hondo for the period of May 5, 2008 through May 19, 2008.

(A-5) Case No. 13-08-I – ExxonMobil Production Company
P.O. Box 4358, Houston, TX 77210-4358

On May 28, 2008 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.2.(c)(iv) and Rule 359.D.2.b.1 of Part 70/Permit to Operate 9100 as a result of inability to relight #2 pilot light/igniter assembly due to a faulty control circuit board on Platform Hondo for the period of May 20, 2008 through August 17, 2008, or the date of decision of the Hearing Board on the application for Regular Variance 14-08-R, whichever occurs first.

(A-6) Case No. 15-08-E – Fortistar Methane Group – MM Tajiguas Energy LLC
14470 Calle Real, Gaviota, CA 93117

On June 2, 2008 Hearing Board member Robert Saperstein approved an Emergency Variance providing variance protection to the Petitioner from the requirements of District Rule 206, Condition 9.C.3.(a) of Part 70/Permit to Operate 9788-R2 regarding exceeding

permitted NOx emissions of the flare in the high flow mode at the Tajiguas Landfill for the period of June 2, 2008 through July 2, 2008.

A-7) Case No. 16-08-I – All Ways Drilling, Inc.
4110 E. Ventura Blvd., Camarillo, CA 93011

On June 19, 2008 Hearing Board member Robert Saperstein approved an Interim Variance providing variance protection to the Petitioner from the requirements of District 333 and the Airborne Toxic Control Measure (ATCM) for particulate matter from portable engines rated at 50 horsepower (hp) and greater for 90-hp and 180-hp drill rig diesel engines operated throughout Santa Barbara County for the period of June 19, 2008 to the date of the next Hearing Board meeting scheduled for July 2, 2008.

Saperstein/Van Mullem, Jr.

Received and filed.

Absent: Ward

IX. Adjourn

The meeting was adjourned at 10:32 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.