



H.B. Case No.:	<u>2015-35-R</u>
Petitioner:	<u>Freeport McMoran</u>
Permit No.:	<u>9105</u>
Date Rec'd:	<u>11/02/15</u>
Time Rec'd:	<u>10:30</u>
Filing Fee Paid:	<u>\$574.00</u>

PETITION FOR VARIANCE

Type of Variance Requested:			
Emergency	<input type="checkbox"/>	Interim ¹	<input type="checkbox"/>
		90-Day	<input type="checkbox"/>
		Regular	<input checked="" type="checkbox"/>
Length of Variance Requested:	Start Date	<u>12/2/15</u>	
	End Date	<u>12/1/16</u>	
¹ A 90-Day or Regular Variance must be filed concurrently with an Interim Variance			

1. PETITIONER INFORMATION

A. Please provide the name, address and phone number of the Petitioner.

Name: Freeport-McMoRan Oil & Gas, LLC
 Address: 201 South Broadway
Orcutt, CA 93455
 Phone Number: (805) 934-8200

B. Please provide the name, address and phone number of the person authorized to receive correspondence regarding this Petition if different from response in 1.A.

Name: Glenn A. Oliver
 Address: Freeport-McMoRan Oil & Gas, LLC
201 South Broadway
Orcutt, CA 93455
 Phone Number: (805) 934-8216

C. The Petitioner is (please check one):

- 1) An Individual ()
- 2) Partnership ()
- 3) Corporation ()
- 4) Public Agency ()
- 5) Other Entity (please describe) LLC (Limited Liability Company)

2. Location of equipment for which the variance is requested if different from response in 1.A.

Platform Hidalgo (Pt. Arguello Project)

3. List any District permits that are applicable to the equipment subject to this variance request.

PTO 9105

4. Briefly describe the equipment that is the subject of this Petition.

H₂S analyzer on Platform Hidalgo. Analyzer is used to determine sulfur emissions from the combustion flare.

5. FINDINGS REQUIRED FOR THE GRANTING OF A VARIANCE

In order for the Hearing Board to grant a variance to a Petitioner authorizing the operation of a source in violation of any rule, regulation or order of the District, the Hearing Board is required to make "findings" in accordance with the requirements specified in California Health and Safety Code §42352, et. seq. and District rules and regulations. The Hearing Board's variance decision will take into consideration information you provide in this Petition. Please ensure your responses are complete and thorough. Please use additional pages as necessary.

A. Please state 1) what District rule, regulation or order you either are or will be in violation of, and 2) the date said violation will or did occur. Include as appropriate the applicable permit conditions for which variance relief is being sought.

APCD Rule 206, Rule 359 and PTO 9105 Condition 9C.3 (Flare Sulfur Monitoring and Reporting Plan).

B. Please describe how compliance with the District rule, regulation or order listed in Section A above is beyond your reasonable control. In addition to any other relevant factors, please include in your discussion 1) what actions you have taken to comply or seek a variance, which were timely and reasonable under the circumstances.

Platform Hidalgo has not been operating since May 29, 2015 when all production and oil transportation was halted by the shutdown of the Plains All-American Pipeline (AAPL) Segment 903. Without the ability to ship oil, all production equipment has ceased operation as well as all gas compression.

The H₂S analyzer continues to operate but serves no purpose as the process equipment being monitored cannot operate until oil and gas production resumes. PTO 9105 and associated compliance plans require the monitoring equipment to operate regardless of the overall production status.

This variance is being sought in order to cease operating the monitoring equipment saving wear and tear as well as any continuing maintenance costs.

- C. Please describe how you would be impacted if you were required to immediately comply with the District rule, regulation or order the subject of this variance request. In addition to any other relevant factors, please discuss why such impacts would result in 1) an arbitrary or unreasonable taking of property, or 2) the practical closing and elimination of a lawful business.

The production curtailment due to the AAPL shutdown causes the loss of approximately 1000 bbls production per day. Continuing to operate the H₂S analyzer doesn't increase these costs. However, discontinuing monitoring will save wear and tear on equipment that translates to lower overall costs, and potentially decreases emissions from personnel travel to perform maintenance.

- D. If you were required to immediately comply with the District rule, regulation or order the subject of this variance request, please describe what impact, if any, that would have on air contaminants.

Complying with the permit condition would not have an impact on air contaminants.

- E. Please describe what consideration you have given to curtailing of operations in lieu of obtaining a variance.

Complete curtailment of operations has already occurred. This variance is being sought to eliminate the monitoring of process equipment that cannot operate until oil production resumes.

- F. Please describe what steps and measures you will take to reduce excess pollutant emissions the maximum extent feasible during the requested variance period.

Discontinuing the monitoring during the production curtailment will not cause any increase in emissions.

- G. If requested to do so by the District, please describe how you will monitor or otherwise quantify and report to the District any pollutant emissions associated with the granting of your variance.

Although the flare will continue to operate, only PUC gas is present on the platform for the generation of electricity by turbine. The turbine fuel gas analyzer will provide data on flare sulfur content should there be any flaring of PUC gas for upset conditions.

6. SUPPLEMENTAL FINDINGS IF APPLYING FOR AN EMERGENCY VARIANCE PURSUANT TO RULE 506 (EMERGENCY VARIANCE FOR BREAKDOWNS)

- A. Please provide the date and time the breakdown was reported to the District

Date: _____ Time: _____

- B. Breakdown number (as provided by the District):

- C. Please provide a description of the "breakdown condition", including equipment involved and the cause to the extent it is known.

- D. Please describe why the continued operation of your facility in a "breakdown condition" is not likely to cause an immediate threat or hazard to public health or safety and will not interfere with the attainment or maintenance of any primary national ambient air quality standard.


7. Will the operation of the equipment subject to this variance result in violation of District Rule 303, Nuisance?

No nuisance will result from operation under a variance

8. Please state whether or not any civil or criminal case involving the equipment subject to this variance is pending any court.

No cases are pending

The undersigned is authorized to submit the above Petition on behalf of the Petitioner and further states under penalty of perjury under the laws of the State of California, that the above Petition, including any attachments and the items therein set forth, are true and correct.

DATE: 11/2/15 SIGNATURE: 
TITLE: Sr. EH&S Advisor
PRINT NAME: Glenn A. Oliver

Variance Filing Fees: All variance Petitions must be accompanied by the requisite filing fee at the time of filing or include a letter from the Petitioner on company letterhead authorizing the District to debit the filing fee from the company's reimbursable account. You may also pay your filing fees by credit card using the attached form. Current variance filing fees may be found under Rule 210, schedule F, Sections 12a and 12b at <http://www.sbcapcd.org/fees.htm>.



Freeport-McMoRan Oil & Gas
201 S. Broadway
Orcutt, CA 93455

Telephone: 805-739-9111

November 2, 2015

Ms. Sara Hunt
Clerk of the Hearing Board
Santa Barbara County Air Pollution Control District
260 San Antonio Road, Suite A
Santa Barbara, CA 93110

Subject: Variance Petition for the Platform Hidalgo

Dear Ms. Hunt:

Freeport-McMoRan Oil & Gas is submitting this petition for continued operation of Platform Hidalgo under a Regular Variance during the All American Pipeline Segment 903 shutdown. A completed petition is attached.

Please charge the Freeport-McMoRan Oil & Gas/Pt. Arguello Project reimbursable fund for the filing fees. If you have any questions, please contact me at (805) 934-8216.

Cordially,

A handwritten signature in black ink, appearing to read 'G. A. Oliver'.

Glenn A. Oliver
Sr. EH&S Advisor

Attachment