

 <p>air pollution control district SANTA BARBARA COUNTY</p>	<b>Case No / Date</b>	<b>2024-01-I</b>	<b>03/04/2024</b>
	<b>Petitioner</b>	<b>Pacific Coast Energy Company LP</b>	
	<b>Permit #</b>	<b>PT 70/PTO 8240-R11</b>	
	<b>Date Rec'd</b>	<b>02/15/2024</b>	
	<b>Time Rec'd</b>	<b>1725 hours</b>	
<b>FOR OFFICIAL USE ONLY</b>			

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

In the Matter of the Application of )  
Pacific Coast Energy Company LP for )  
an Interim Variance from )  
District Rule 206, Part 70 Permit to )  
Operate 8240-R11, Condition 9.C.6.a. )

**H.B. Case No. 2024-01-I**

**VARIANCE FINDINGS**

**AND ORDER**

Pacific Coast Energy Company LP (Petitioner) filed a Petition for Regular and Interim Variances on February 15, 2024. A hearing of the above-entitled matter was held on March 4, 2024. Marianne Strange represented the Petitioner, Aimee Long represented the Santa Barbara County Air Pollution Control District (District), and Terence Dressler represented the Hearing Board for this Interim 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 section 42359.5, “good cause” exists for the granting of Petitioner’s request for an Interim 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 the Newlove Lease located approximately 2.5 miles South of the town Orcutt, an unincorporated town in Santa Barbara County, California.
2. The Petitioner operates seventy-eight wells at the Newlove Lease that produce oil, water and gas. Three steam generators are used to enhance oil production at the leases. Produced oil is gathered in tanks, then sent off-site via pipeline. Natural gas produced at the lease is sent to the Orcutt Hill Compressor Plant, where it is dehydrated and scrubbed. The treated natural gas is either used on-site for fuel or sold.
3. The Petitioner has three 62.5 MMBtu/hr steam generators. The steam generators are required by the Petitioner's permit to undergo annual source testing.
4. Source testing on steam generator SG 100 (APCD Device ID 109530) was last conducted on February 16, 2023 with passing results achieved.
5. The Petitioner began experiencing problems with the Program Logic Controller (PLC) for SG 100. As a result, SG 100 was shut down shortly after the February 16, 2023, source test. The 2023 budget had already been approved, therefore the Petitioner was unable to make the repairs during 2023. However, \$90,000 was included in the 2024 budget for the programming and valving repairs for SG 100.
6. The Petitioner has ordered the parts and has obtained a contractor, Advanced Combustion, to begin the work in March 2024.
7. Source testing cannot be completed until the repairs are conducted. As a result, the Petitioner is requested variance coverage until the source testing can be completed in May 2024.

### **FINDINGS**

1. Without Variance coverage, the Petitioner will be in violation of District Rule 206, Part 70 Permit to Operate 8240-R11, Condition 9.C.6.a.
2. The Petitioner will monitor SG 100 using the SCADA system to verify that it is not operated until the PLC is installed. No excess emissions are expected with the granting of this Variance.

**THEREFORE, THE HEARING BOARD ORDERS,** as follows:

That an Interim Variance be granted for relief from the source testing requirements for SG 100 until the repairs can be made and source testing can be conducted, which is in violation of District Rule 206, Part 70 Permit to Operate 8240-R11, Condition 9.C.6.a from February 16, 2024 through May 15, 2024 (not to exceed 90 days), or the date a decision is made on the Regular Variance, 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 [variance@sbcapcd.org](mailto:variance@sbcapcd.org), by July 22, 2024, or within 30 calendar days of achieving compliance, whichever comes first. The report shall include the date the repairs were completed, date the equipment returned to service, records of when the SG 100 operated within the variance period, source testing date, and the source testing results.
2. Petitioner shall retain the obligation to comply with all other local, state, and federal regulations not specifically referenced in the Order.
3. 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.
4. In accordance with District Fees Rule 210, Schedule F.12.e, 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.
5. Each day during any portion of which a violation occurs is a separate offense.
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. Petitioner shall submit deviation reports to the District for all violations of Federal requirements.

**DATED:** 03/04/2024

*Terence E. Dressler*  
Terence E. Dressler (Mar 5, 2024 08:32 PST)

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Terence Dressler  
Santa Barbara County Air Pollution Control District  
Hearing Board