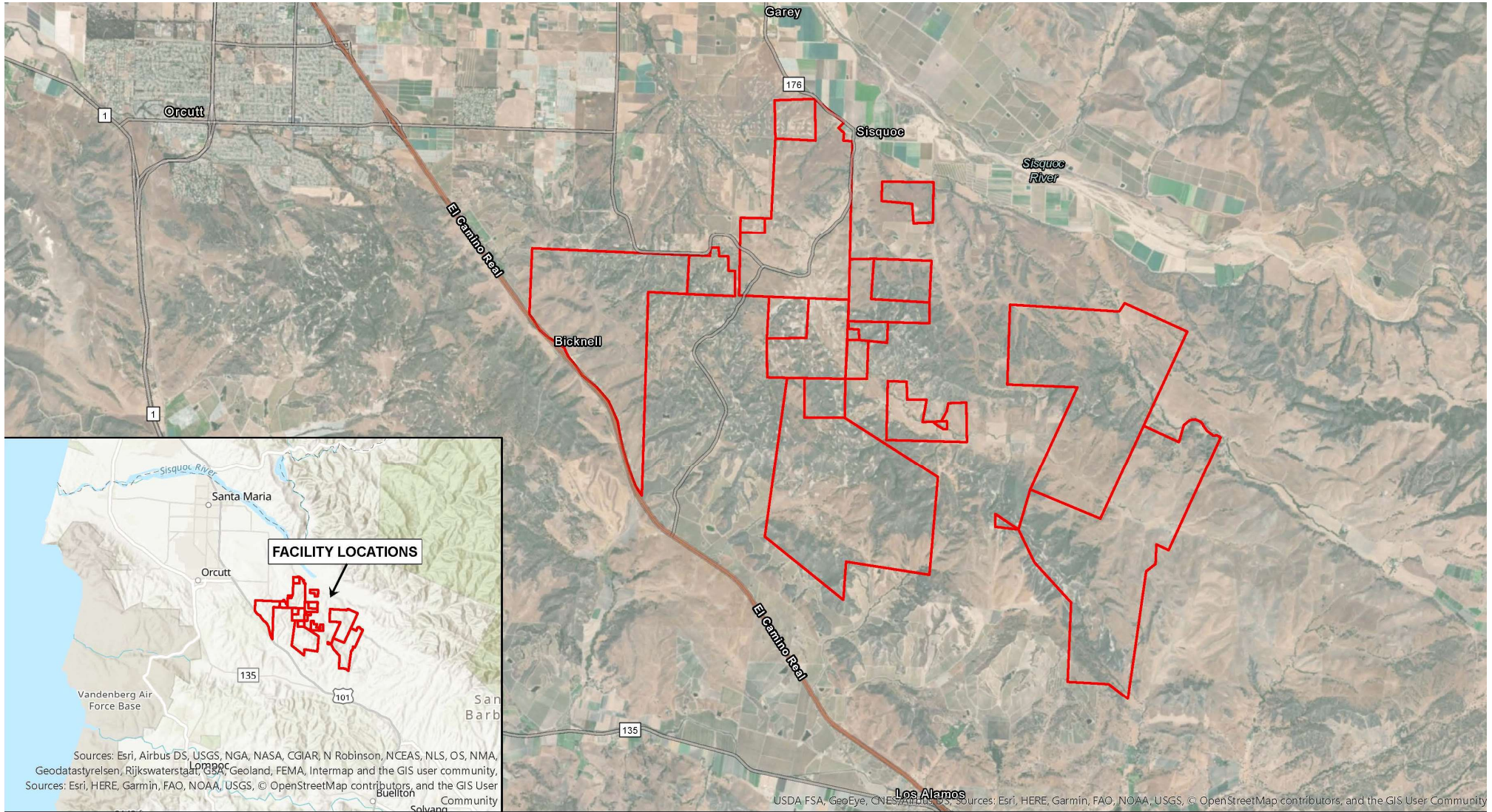




APCD Hearing Board
Variance Petition Hearing
CAT CANYON Oil FIELD

Santa Barbara County
APCD Hearing Board
Variance Petition Hearing
November 6, 2024
Case Number: 2024-10-R
Tank Heater (Boiler) Source Testing
SSID - 11136
FID - 03200
PTO 07149-R11



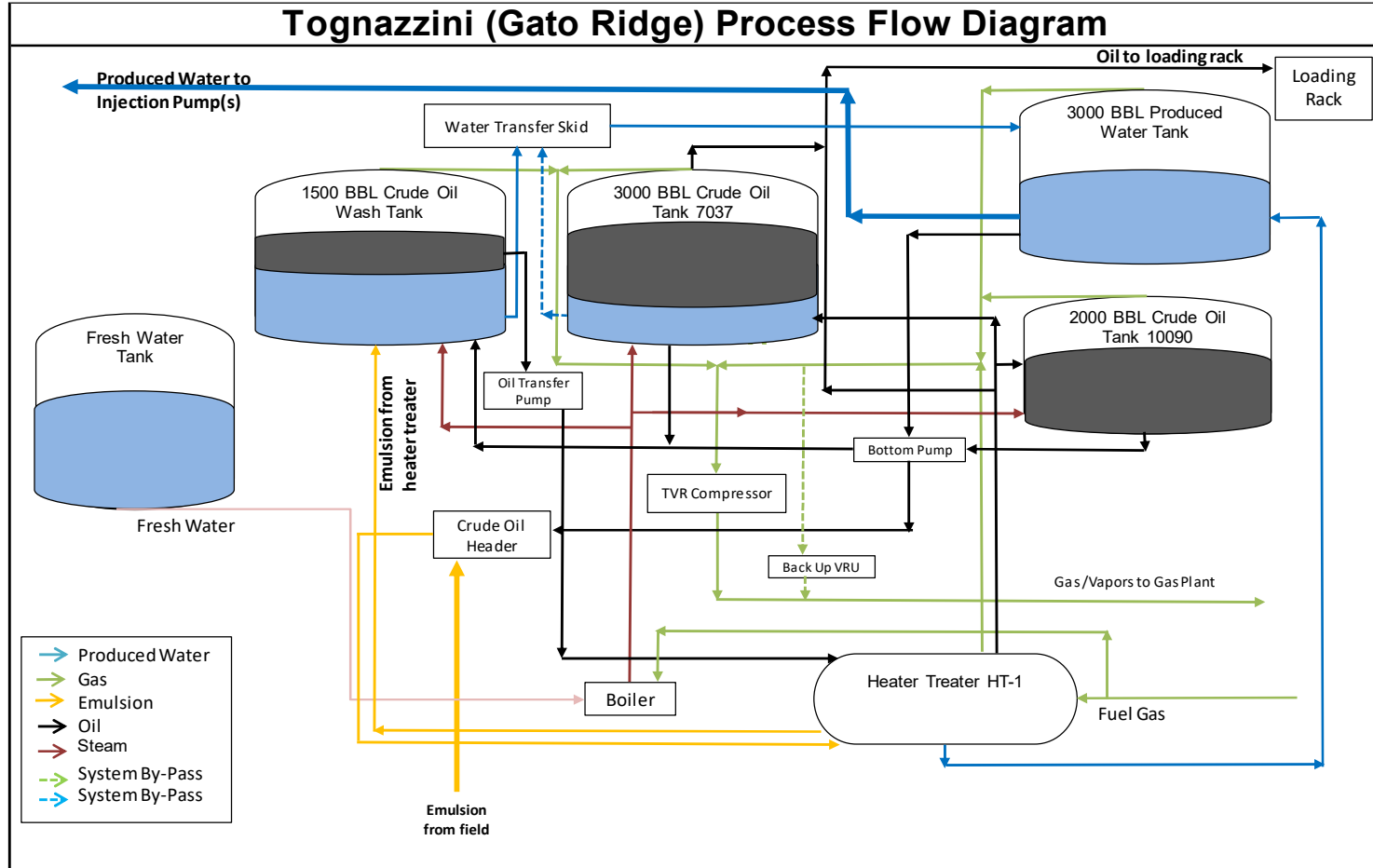




MEETING AGENDA

- **CAT CANYON and FACILITY OVERVIEW**
- **TANK HEATER PERMIT HISTORY**
- **PROJECT HISTORY AND STATUS**
- **FINDINGS**

Tognazzini (Gato Ridge) Process Flow Diagram



<p>Cat Canyon Resources, LLC</p> <p>6085 Cat Canyon Road</p> <p>Santa Maria, CA 93454</p>	<h3>Tognazzini Process Flow Diagram</h3>	<p>CATCANYON RESOURCES™</p>	<p>Facility Layout</p> <p>Tognazzini Oil and Gas Lease</p> <p>Cat Canyon Oil and Gas Field</p>
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Tognazzini Tank Battery

North





2.50MMBtu/Hr
Rite Boiler



TANK HEATER HISTORY

- **September 28, 2017, the Santa Barbara County Air Pollution Control District (District) determined that the application for Authority to Construct (ATC) No. 15097 to replace a boiler at the Tognazzini Lease, Cat Canyon Oil Field in Santa Barbara County was complete.**
- **The Facility was granted an Interim Permit Approval Process Agreement for ATC 15097 for replacement of the Boiler at the Tognazzini Lease, dated October 3, 2017.**
- **November 16, 2017, AEROS Environmental notified the District of intent to perform an initial Source Test on November 28, 2017.**
- **Bi-annual Source testing continued in 2020 and 2022.**
- **May 3, 2024, Alliance Technical Group submitted to the District the Source Test Protocol, with a test date of May 29, 2024 (plan approved by the District on May 7, 2024)**

TANK HEATER HISTORY

- **The day of scheduled Source Testing (May 29, 2024), a call came in from Operations stating that Tognazzini Lease wells were being shut in due to electrical line maintenance (pumping units are powered by PG&E service), which meant that the fuel/produced gas used to supply the boiler would be shut in.**
- **On July 23, 2024, APCD District staff informed CCR that the District approved a request to extend the source testing deadline for good cause. The extension was valid for an additional 60 days from the default testing window and must be performed by 9/30/2024.**
- **Operations ceased field wide in June 2024.**
- **It would be unreasonable at this time for Cat Canyon Resources to start this equipment for the sole purpose of source testing due to the fact that the tank heater (APCD Device ID 391794) fires on field gas. Source testing cannot be completed until the facility resumes production operations.**
- **At this time Cat Canyon Resources, LLC (CCR) is unsure when production operations will resume. As a result, CCR is requesting variance coverage.**

TANK HEATER HISTORY

- **On September 30, 2024, Cat Canyon Resources, LLC (CCR) filed for Regular and Interim Variances. A hearing of the matter was held on October 24, 2024 and granted the same day for good cause.**

Six Explicit Findings in Support of Variance

1. APPLICANT is unable to comply with District Rule or HSC 41701 (Visible Emissions).
2. NONCOMPLIANCE due to CONDITIONS BEYOND APPLICANTS REASONABLE CONTROL and requiring compliance would result in UNREASONABLE TAKING OF PROPERTY or CLOSING OF BUISNESS.
3. SUCH TAKING is WITHOUT CORRESPONDING BENEFIT in reducing pollution.
4. APPLICANT has considered CURTAILING OPERATIONS.
5. APPLICANT will REDUCE EMISSIONS to maximum extent feasible.
6. APPLICANT will MONITOR and REPORT emissions.

Two Implicit Findings in Support of Variance

1. OPERATION under variance NOT a NUISANCE.
2. OTHER REQUIREMENTS to guarantee EXPEDITIOUS COMPLIANCE with emissions standards or increments of progress.

Finding 1

APPLICANT is unable to comply with District Rule or HSC 41701 (Visible Emissions).

Cat Canyon Resources Response:

CCR is in violation of District Rules 361.F.2 and 206, Permit to Operate 7149-R11, Conditions 3.c and 6.a. These permit conditions and District Rules require CCR to conduct biannual source testing. CCR is unable to source test the tank heater by the anniversary date specified.

Finding 2

NONCOMPLIANCE due to CONDITIONS BEYOND APPLICANTS REASONABLE CONTROL and requiring compliance would result in UNREASONABLE TAKING OF PROPERTY or CLOSING OF BUSINESS.

Cat Canyon Resources Response:

Immediate compliance is not possible because the equipment is not in operation. Requiring source testing would be unreasonable taking of property because it would be the facility would have to resume production only for source testing.

Finding 3

SUCH TAKING is WITHOUT CORRESPONDING BENEFIT in reducing pollution.

Cat Canyon Resources Response:

The closing or taking would be without a corresponding benefit in reducing air contaminants because the entire field has ceased production.

Finding 4

APPLICANT has considered CURTAILING OPERATIONS.

Cat Canyon Resources Response:

CCR is currently curtailing operations. The tank heater is shut down until the facility resumes operations.

Finding 5

APPLICANT will REDUCE EMISSIONS to maximum extent feasible.

Cat Canyon Resources Response:

CCR will reduce emissions to the maximum extent feasible by not operating the equipment.

Finding 6

APPLICANT will MONITOR and REPORT emissions.

Cat Canyon Resources Response:

CCR will monitor the tank heater once the facility resumes operations by conducting weekly portable analyzer monitoring using a District approved device until source testing can be completed. No excess emissions are expected.

Two Implicit Findings

1. OPERATION under variance NOT a NUISANCE.

Cat Canyon Resources Response:

CCR has ceased operations. As a result, a nuisance is not expected.

2. OTHER REQUIREMENTS to guarantee EXPEDITIOUS COMPLIANCE with emissions standards or increments of progress.

Cat Canyon Resources Response:

Source testing will be conducted within 45 days once the facility resumes operation.

CONCLUSION

- **Cat Canyon Resources is seeking variance coverage until the facility resumes operation and source testing can be completed.**