

Action Summary Minutes

SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room
34946 Flyover Court, Bakersfield, CA 93308

Wednesday, August 10 2011, 10:00 a.m.

**Meeting held via teleconferencing (VTC) with the
Central Region Office (Fresno) participating via VTC.**

MINUTES

1. CALL MEETING TO ORDER:

The Chair, Hollis Carlile, called the meeting to order at 10:01 a.m.

2. ROLL CALL:

Kimm Wolber – Medical	Present
Hollis Carlile (Chair) – Engineer	Present
Bill Bland – Public	Present (Arrived at 10:04)
John Stovall – Attorney	Present
Nancy Dunn – Public	Present

Staff present - Southern Region (Bakersfield): Amelia Yuan, Supervising Air Quality Inspector

Central Region (Fresno): Patrick Houlihan, Sr. Air Quality Specialist; Ryan Hayashi, Supervising Air Quality Specialist, Vicki Christie, acting as Deputy Clerk to the Board

3. APPROVE MINUTES OF JULY 13, 2011

The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of July 13, 2011. Hearing none, the minutes were approved as submitted.

4. PUBLIC HEARING:

All those present to testify were sworn in by the Chair, and he requested they sign in.

- A. S-11-40S Short Kern River Cogeneration Company
1600 China Grade Loop
Bakersfield, CA 93308

Petitioners: Daniel Beck

KRCC has requested a short variance from District rules 2070.7.0, 2201, 2520, and 4703 in addition to conditions of the applicable PTO. The requested short

variance would be from August 10, 2011, until November 7, 2011. If granted, the variance would allow the operation of the subject turbine unit with excess NOx and CO emissions while KRCC operates the turbine, conducts the necessary tuning and conducts performance testing.

Daniel Beck thanked Mr. Houlihan for his accurate report. The petitioner had nothing further to add.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Wolber, seconded by Mr. Stovall, unanimously passed, the petitioner was granted a short variance.

B.	S-11-39S	Short	Chevron USA Inc. 26C, Midway Sunset oil Field Taft, CA
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Petitioners: Martin Lundy, Martin Quintero

CUSA has requested a short variance from the requirements of District Rules 2070.7.0, 2201, 2520, 4401, and 4623, in addition to conditions of the applicable Permits to Operate (PTOs). The requested variance period would be from August 11, 2011, to November 8, 2011. If granted, the variance would allow wells with closed well vapor vents to produce into storage tanks that are not controlled by a VRS.

Mr. Houlihan noted that due to a typo, VOC emissions will be 621 pounds, not 62.1 pounds. Condition number five of the staff report should read:

5. Excess VOC emission shall not exceed 621 pounds over the duration of the variance period.

Mr. Lundy thanked Mr. Houlihan for his accurate report. The petitioners had nothing further to add.

Public Comments: None

Having decided the petition has met the required findings, on motion of Mr. Stovall and seconded by Ms. Wolber, unanimously passed, the petitioner was granted a short variance.

C. S-11-41S Short Chevron USA Inc.
26C Oil Cleaning Plant
Midway Sunset Oil Field
Taft, CA

Petitioners: Martin Lundy

CUSA has requested a short variance from District Rules 2070.7.0, 2201, 2520, and 4623, in addition to conditions of the applicable Permits to Operate (PTOs). The requested short variance period would be effective for a consecutive 168-hour period to occur sometime between August 10, 2011, and November 7, 2011. If granted, the variance would allow CUSA to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS while CUSA isolates tank T-2 and installs isolation valves.

Mr. Lundy thanked Mr. Houlihan for his accurate report. The petitioners had nothing further to add.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Dunn, seconded by Ms. Wolber, unanimously passed, the petitioner was granted a short variance.

D. S-11-42S Short Chevron USA Inc.
29D Oil Cleaning Plant
Midway Sunset Oil Field
Fellows, CA

Petitioners: Martin Lundy, Martin Quintero

CUSA has requested a short variance from District Rules 2070.7.0, 2201, 2520, and 4623, in addition to conditions of the subject Permit to Operate (PTOs). The requested short variance period would for a consecutive 144-hour period to occur sometime between August 10, 2011, and November 7, 2011. If granted, the variance would allow for the continued storage of VOC containing liquids in the tanks without a functional or operating VRS while CUSA repairs the leaking vacuum line.

Mr. Lundy thanked Mr. Houlihan for his accurate report. The petitioners had nothing further to add.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Wolber seconded by Ms. Dunn, unanimously passed, the petitioner was granted a short variance.

E. S-11-01S Short Chevron USA Inc.
26C Oil Cleaning Plant and 26C Steam Plant
Midway Sunset Oil Field
Taft, CA

Petitioners: Martin Lundy

CUSA has requested a short variance from District Rules 2070.7.0, 2201, 2520, 4401, and 4623, in addition to conditions of the applicable Permit to Operate (PTOs). The requested variance period would be effective for a consecutive 30-day period to occur sometime between August 10, 2011, and November 7, 2011. If granted, the variance would allow CUSA to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS while CUSA completes work associated with the subject scrubber. In addition, it will allow wells with closed casing gas vents to produce into tanks that do not have a functional or operating VRS.

Mr. Houlihan noted that CUSA has requested a change of dates. Petitioners request should read as follows:

The requested variance would be effective for a consecutive 30-day period to occur sometime between October 10, 2011, and January 7, 2012.

Changes to the conditions number one and number ten should be as follows:

1. The requested variance would be effective for a consecutive 30-day period to occur sometime between October 10, 2011, and January 7, 2012, or until CUSA has completed the repair work associated with the scrubber, whichever occurs first.

10. By January 22, 2012, or within 15 calendar days....

Mr. Lundy thanked Mr. Houlihan for his accurate report. He stated that this is part two, the electrical upgrade, of the scrubber maintenance project from earlier in the year.

Public Comments: None

Having decided the petition has met the required findings, on motion of Mr. Stovall, seconded by Ms. Dunn, unanimously passed, the petitioner was granted a short variance.

F. S-11-43S Short Aera Energy
Midway Sunset Cogeneration Company
3466 W Crocker Springs Road
Fellows, CA 93224

Petitioners: Ray Smith, Douglas McCormick

AERA has requested a short variance from District Rules 2070.7.0, 2201, 2520, 4701, and 4702, in addition to the applicable conditions of the subject Permit to Operate (PTOs). The requested variance period would for a non-consecutive, 4-hour period to

occur sometime between August 19, 2011, and November 16, 2011. If granted, the variance would allow AERA to operate the subject diesel-fired emergency generator beyond the calendar year limit of six hours for non-emergency use.

Mr. Smith thanked Mr. Houlihan for having covered the request completely. Mr. McCormick made a correction to Mr. Houlihan's statement that AERA has *not* filed an application with this District at this time. AERA is investigating the NSR implications of increasing the hours of operation to take it to the State's air toxic control limit per year. That would trigger BACT requirements on this engine. AERA is not sure this engine can meet those levels. They are investigating that and doing some monitoring of the engine.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Dunn, seconded by Ms. Wolber, unanimously passed, the petitioner was granted a short variance.

G.	S-11-44S	Short	Aera Energy MOCO, D&E Sands and 25 Hill Leases Midway Sunset Oil Field
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Petitioners: Robert Beebout, Philip Young

AERA has requested a short variance from District Rules 2010, 2070.7.0, 2201, 2520, and 4623, in addition to conditions of the applicable Authorities to Construct (ATCs) and Permit to Operate (PTOs). The requested short variance would be for a consecutive period of 144-hours to occur sometime between September 1, 2011, and November 28, 2011. If granted, the short variance would allow for the continued storage of VOC containing liquids in the tanks without a functional or operating VRS while AERA conducts their maintenance activities.

Mr. Beebout thanked Mr. Houlihan for his accurate report. The petitioners had nothing further to add.

Public Comments: None

Having decided the petition has met the required findings, on motion of Ms. Wolber seconded by Mr. Stovall, unanimously passed, the petitioner was granted a short variance.

H.	S-11-46S	Short	Chevron USA Inc. 15Z Oil Cleaning Plant Cymric Oil Field McKittrick, CA
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Petitioners: Bob Langner, David Bone, Hugo Gaskin

CUSA has requested a short variance from District Rules 2070.7.0, 2201, 2520, and 4623, in addition to the applicable conditions of the subject Permit to Operate (PTOs).

The requested variance period would for a non-consecutive, 52-hour period to occur sometime between August 11, 2011 and November 8, 2011. If granted, the variance would allow for the continued storage of VOC containing liquids in the tanks without a functional or operating VRS while CUSA Performs the planned work.

Mr. Houlihan noted that Condition number five should read as follows:

5. *CUSA shall notify the District at least 24 hours, but no more than 96 hours before the VRS is initially shut down.*

Bob Langner thanked Mr. Houlihan for his report. He clarified that Mr. Houlihan's statement "shut down at night", was referring to shutting down the maintenance operations at night.

Public Comments: None

Having decided the petition has met the required findings, on motion of Mr. Stovall, seconded by Ms. Dunn, unanimously passed, the petitioner was granted a short variance.

5. The Southern Region Hearing Board granted two emergency variances since the July 13, 2011 Hearing Board meeting.
6. PUBLIC COMMENTS: None
7. HEARING BOARD MEMBER COMMENTS: None
8. NEW BUSINESS: None
9. NEXT SCHEDULED MEETING: Wednesday, September 14, 2011, at 10:00 a.m. The meeting will be held via video conferencing (VTC) in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via VTC
10. ADJOURNMENT: The meeting was adjourned at 11:33 a.m.