

**San Joaquin Valley Air Pollution Control District**  
**SOUTHERN REGION HEARING BOARD MEETING**

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

**ACTION SUMMARY MINUTES**

**Wednesday, November 14, 2012**

*Meeting held via teleconferencing with the  
Central Region Office (Fresno) and the  
Southern Region Office (Bakersfield)*

1. CALL MEETING TO ORDER

The Chair, Hollis Carlile, called the meeting to order at 10:00 a.m.

2. ROLL CALL

Dr. Dean Haddock - Medical	Present
Hollis Carlile (Chair) - Engineer	Present
Nancy Dunn - Public	Present
William Bland – Public	Present

Staff Present:

Southern Region (Bakersfield): David Baldwin, Supervising Air Quality Inspector

Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist; Ryan Hayashi, Supervising Air Quality Specialist; Annette Ballatore-Williamson, Legal Counsel; Carol Flores, Operations and Program Support Supervisor

3. APPROVE MINUTES OF October 10, 2012

The Chair asked if there were any comments regarding the Minutes for October 10, 2012. Hearing no comments, the Chair declared the minutes were approved as submitted.

4. PUBLIC HEARING

The Chair swore in all those present to testify for all matters.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
A. S-12-56i	Interim	Chevron USA, Inc. 26 C Casing Gas Collection System Midway Sunset Oil Field

Petitioners: Martin Lundy, Martin Quintero, and Kirsten Parkson

Patrick Houlihan presented the Staff Report.

CUSA has requested an interim variance, to be followed by a regular variance, from District Rules 2070.7.0, 2201, 2520, and 4401, in addition to conditions of the applicable Permits to Operate (PTOs). The requested variance period would be

effective from November 14, 2012, until January 9, 2013, or until the petition on the regular variance can be heard, whichever occurs first. If granted, the variance would allow CUSA to continue to store VOC containing liquids in the subject tanks without a VRS while CUSA performs the maintenance. It would also allow wells with closed well vapor vents to produce into storage tanks that are not controlled by a VRS.

Mr. Lundy thanked Mr. Houlihan for the presentation, he had no further comment.

Mr. Carlile asked how the system was. Mr. Lundy responded that the whole casing system was installed in the late 1970's. Mr. Carlile asked what the problem was causing the plug in the line. Mr. Quintero explained the lines will be treated with chemicals and then flushed periodically to prevent future issues. Mr. Carlile asked what percentage of the line is plugged. Ms. Parkson explained the majority of the line has been unplugged. She added the main blockage occurred in underground piping where there were 90° pipe.

Public Comments: None

Having decided the petition has met the required findings, on motion of Dr. Haddock and seconded by Mr. Bland, unanimously passed, the petitioner was granted an interim variance.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
B. S-12-57R	Regular	Chevron USA, Inc. 2F Steam Plant 2F & 31E Casing Gas Collection System 2F, 29D, & 31E Oil Cleaning Plants Midway Sunset Oil Field

Petitioners: Martin Lundy, Marin Quintero, and Kirsten Parkson

Patrick Houlihan presented the Staff Report.

CUSA has requested a regular variance from District Rules 2010, 2201, 2070.7.0, 2520, 4401, 4623, 4305, 4306, and 4320, in addition to conditions of the applicable ATCs and PTOs. The requested variance period would be effective for a non-consecutive 90-day period to occur sometime between the start of the interim variance, which started on October 15, 2012, and April 15, 2013. If granted, the variance would allow CUSA to continue to store VOC containing liquids in tanks without a functional or operating VRS. In addition, it will allow wells with closed casing vents to produce into tanks that do not have a functional or operating VRS. And finally, it will allow excess NOx and CO emissions from the exhausts of the subject steam generators while they undergo testing and tuning.

Mr. Lundy thanked Mr. Houlihan for his presentation, he had no further comment.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. S-12-58R	Regular	Mt. Poso Cogeneration Company, LLC 36157 Famoso Highway Bakersfield, CA 93380

Petitioners: Stu Welch

Patrick Houlihan presented the Staff Report.

Mt. Poso has requested a regular variance from District Rules 2010, 2070.7.0, 2201, 2520, and 4352, in addition to conditions of the applicable Authority to Construct (ATC) an Permit to Operate (PTO). The requested variance period would be from November 14, 2012, until May 5, 2013. If granted, the variance would allow Mt. Poso to exceed the NOx and CO pounds per emission limits during start-up and shut-down until the permit can be modified to allow for higher limits.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
D. S-12-62S	Short	ExxonMobil Production Company Hill Property Belridge Oil Field

Petitioners: Jack Jones

Ryan Hayashi presented the Staff Report.

ExxonMobil has requested a short variance from District Rules 2070.7.0, 2201, 2520, and 4623, in addition to the applicable conditions of the PTOs. The requested variance period would be effective from November 14, 2012, until November 1`5, 2012. If granted, the variance would allow the continued storage of VOC containing liquids in the subject tanks and separators without a functional and operating VRS.

Public Comments: None

Having decided the petition has met the required finding, on motion of Mr. Bland and seconded by Dr. Haddock, unanimously passed, the petitioner was granted a short variance.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
E. S-12-64S	Short	AERA Energy, LLC Lost Hills 1 Dehydration Facility Lost Hills Oil Field

Petitioners: John Haley, Shawn Holzworth, Chris Henry, John Furman

Ryan Hayashi presented the Staff Report.

AERA has requested a short variance from District Rules 2201, 2070.7.0, 2520, and 4623, in addition to conditions of the applicable Permits to Operate (PTOs). The requested short variance period would be effective for a non-consecutive 36-hour period to occur sometime between November 27, 2012, and February 22, 2013, inclusive. If granted, the variance would allow AERA to continue to store VOC containing liquids in the subject tanks without a functional or operating VRS while the electrical power to the VRS is shut off.

Mr. Haley thanked Mr. Hayashi for his presentation. Mr. Haley explained to investigate the reason for a misaligned panel, the panel must be pulled out. He added everything must be shut down in order to pull the panel. Mr. Furman explained there may be a secondary shut down to replace equipment.

Dr. Haddock asked how much power is going to the panel. Mr. Furman responded it is a 480 volt control center which is fed by a 12,000 step down transformer.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
F. S-12-66S	Short	Naftex Operating Company Claflin Lease Edison Oil Field

Petitioners: Doug Shaffer, Dave Lefler, and Randy Horne

Ryan Hayashi presented the Staff Report.

Naftex has requested a short variance from District Rules 2070.7.0, 2201, 4401, and 4623, in addition to the applicable conditions of the PTOs. The requested variance period would be effective from November 1, 2012, until January 29, 2013. If granted, the variance would allow the continued storage of VOC containing liquids in the subject tanks without a functional and operating VRS.

Mr. Horne thanked Mr. Hayashi for his presentation.

Public Comments: None

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

5. EMERGENCY VARIANCE

The Southern Region Hearing Board granted two emergency variances since the September 12, 2012, Hearing Board meeting.

6. PUBLIC COMMENTS

No public comment.

7. HEARING BOARD MEMBER COMMENTS

None

8. NEW BUSINESS

None

9. NEXT SCHEDULED MEETING

The next scheduled meeting is December 12, 2012. The meeting will be held via teleconferencing in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via teleconferencing.

10. ADJOURN

The Chair adjourned the meeting at 11:13 p.m.