

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, December 12, 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 10:05 a.m.

2. ROLL CALL

| | |
|-----------------------------------|---------|
| Dr. Dean Haddock – Medical* | Present |
| Hollis Carlile (Chair) - Engineer | Present |
| Nancy Dunn - Public | Present |
| William Bland – Public | Present |
| John Stovall – Attorney | Present |

*Dr. Haddock arrived at 10:20 a.m.

Staff Present:

Southern Region (Bakersfield): Mike Oldershaw, Compliance Manager; Ellyce 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; Michelle Banuelos, Senior Office Assistant

3. APPROVE MINUTES OF November 14, 2012

The Chair asked if there were any comments regarding the Minutes for November 14, 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-12-56R | Regular | Chevron USA, Inc. 26 C Casing Gas Collection System Midway Sunset Oil Field |

Petitioners: Steve Enns

Patrick Houlihan presented the Staff Report.

CUSA has requested 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 December 12, 2012, until May 12, 2013. 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. Houlihan noted the following changes to the recommendations:

1. The variance shall be effective from December 12, 2012, until May 12, 2013, or until all the maintenance is completed and the VRS is returned to compliant operation, whichever occurs first.
10. CUSA shall submit a summary report for the interim variance period to the District by May 27, 2013, or no later than 15 days after maintenance is completed and CUSA has returned the VRS to compliant operation, whichever occurs first

Mr. Enns thanked Mr. Houlihan for the presentation and had no further comments.

Public Comments: None

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

This item was heard out of order

| <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> |
|-------------------|-------------|--|
| E. S-12-74i | interim | Chevron USA, Inc. 26C Oil Cleaning Plant Midway Sunset Oil Field |

Petitioners: Steve Enns

Patrick Houlihan presented the Staff Report.

CUSA has requested an interim variance, to be followed by a short variance, from District Rules 20710.7.0, 2201, 2520, 4401, and 4623, in addition to conditions of the applicable Permits to Operate (PTOs). The requested variance period would be from December 12, 2012, until February 13, 2013, or until the petition on the short 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 an operating or functional 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. Enns thanked Mr. Houlihan for the presentation and had no further comments.

Public Comments: None

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

| <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> |
|-------------------|-------------|---|
| B. S-12-70S | Short | Chevron USA, Inc. Monterey Central Plant Kern River Oil Field |

Petitioners: Steve Falke and Daniel Beck

Patrick Houlihan presented the Staff Report.

CUSA has requested a short variance from District Rules 2070.7.0, 2201, 2520, 4401, and 4623 in addition to conditions of the applicable Permits to Operate (PTOs). The requested short variance period would be effective for a consecutive 120-hour period to occur sometime between December 12, 2012 and March 11, 2013, inclusive. If granted, the variance would allow the continued storage of volatile organic compound (VOC) containing liquids in the subject petroleum storage tanks without a functional or operating VRS while the compressor is replaced. In addition, it will allow wells with closed casing vents to produce into tanks that do not have a functional or operating VRS.

Mr. Beck thanked Mr. Houlihan for the presentation. He added the petition is identical to one heard three months ago due to repair work not being completed. Mr. Beck noted the facility is able to switch from one compressor to another when in operation. Mr. Falke added one of the compressors does need to be repaired.

Public Comments: None

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

| <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> |
|-------------------|-------------|---|
| C. S-12-67S | Short | Alon Bakersfield Refinery 6451 Rosedale Highway Bakersfield, CA 93308 |

Petitioners: Helen Ordway

Patrick Houlihan presented the Staff Report.

Alon has requested a short variance from District Rules 2070.37.0, 2201, 2520, and 4623 in addition to conditions of the applicable PTOs. The requested variance period would be for a consecutive eight hour period to occur sometime between December 12, 2012, and March 11, 2013, inclusive. If granted, the variance would allow Alon to continue to store VOC containing liquids in the subject equipment without a functional or operating VRS.

Ms. Ordway thanked Mr. Houlihan and Mr. Hayashi for their assistance.

Mr. Carlile asked when the facility would be in operation. Ms. Ordway responded she did not have an estimated date.

Public Comments: None

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

| <u>Docket No.</u> | <u>Type</u> | <u>Company Name</u> | |
|-------------------|-------------|---|------------------|
| D. S-12-73i | Short | Vintage Production California LLC 18920 Highway 166 Yowlumne Oil Field Bakersfield, CA 93311 | <i>withdrawn</i> |

5. EMERGENCY VARIANCE

The Southern Region Hearing Board granted three emergency variances since the November 14, 2012, Hearing Board meeting.

6. PUBLIC COMMENTS

No public comment.

7. HEARING BOARD MEMBER COMMENTS

Mr. Houlihan expressed his best wishes to Mr. Carlile for his last Southern Region Hearing Board Meeting.

Mr. Oldershaw presented a plaque to Mr. Carlile and expressed his appreciation for Mr. Carlile's

Mr. Bland stated he learned a considerable amount from Mr. Carlile

Darryl Gunderson, representative from AERA, recognized Mr. Carlile and briefly reviewed Mr. Carlile's work history.

Ms. Dunn expressed her appreciation for Mr. Carlile's experience and knowledge.

Dr. Haddock thanked Mr. Carlile's for his patience.

Mr. Stovall expressed his gratitude for Mr. Carlile serving on the Hearing Board.

Mr. Carlile thanked the District and expressed his appreciation for the opportunity to serve on the Hearing Board.

8. NEW BUSINESS

Mr. Houlihan reported annual elections will take place on January 9, 2013.

9. NEXT SCHEDULED MEETING

The next scheduled meeting is January 9, 2013. 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 11:20 a.m.