

**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, July 9, 2014**

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

1. Call Meeting to Order

The Chair, William Bland, called the meeting to order at 10:01 a.m.

2. Roll Call

Dr. Dean Haddock – Medical	Present
Nancy Dunn – Public	Present
William Bland (Chair) – Public	Present
Daniel Padilla – Engineer	Present

Staff Present:

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

Central Region (Fresno): Clay Bishop, Supervising Air Quality Specialist; Patrick Houlihan, Senior Air Quality Specialist; Shannon Moore, Air Quality Specialist; Annette Williamson, Legal Counsel; Carol Flores, Operations and Program Support Supervisor ; Michael Carrera, Air Quality Compliance Manager; Jessi Fierro, Program Manager Legal Specialist

3. Approve Minutes of June 11, 2014

The Chair asked if there were any comments regarding the Minutes for June 11, 2014. Having decided the Minutes were accurate, on motion of Ms. Dunn and seconded by Dr. Haddock, unanimously passed, the Minutes were approved with no changes.

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-14-35S	Short	Alon Bakersfield Refining Area 2 6451 Rosedale, Highway Bakersfield, CA 93308

Petitioners: Helen Ordway

*Mr. Stovall arrived at 10:04 a.m.*

Patrick Houlihan introduced Annette Williamson, Legal Counsel for the Hearing Board; Shannon Moore, Air Quality Specialist, Chris Kalashian, Air Quality Specialist and Clay Bishop, Supervising Air Quality Specialist.

Mr. Houlihan presented the Staff Report.

Alon has requested a short variance from the applicable requirements of District Rules 1070, 2070, and 2520 in addition to the applicable conditions of the subject permits. The requested variance period would be for a non-consecutive 5 day period to occur sometime between July 14, 2014, and October 11, 2014, inclusive. If granted, the variance would allow Alon to continue to operate the Low Pressure Flare without continuously monitoring and recording the H<sub>2</sub>S content of the gas vapors.

Mr. Houlihan noted the petitioner supplied the District with H<sub>2</sub>S content readings which did not indicate the facility would be out of compliance nor have excess emissions.

Dr. Haddock asked if the gas has a scent. Ms. Ordway explained gas by nature has an odor but the action that will be taking place will not change anything. She added there should not be any odor issues for the neighboring community.

Mr. Stovall clarified the maintenance being performed does not affect the probability of any increased H<sub>2</sub>S and in the interim there will be manual monitoring. Ms. Ordway responded affirmatively.

Ms. Ordway stated the petition asks for non-consecutive days because of a concern that equipment will not be available.

Public Comments: None

Having decided the petition had met the required findings, 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>
B. S-14-36S	Short	Chevron USA Inc. 26C Oil Cleaning Plant Midway Sunset Oil Field

Petitioners: Steve Enns and Dave Bone

Mr. Kalashian presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4401, in addition to applicable conditions of the subject permits. The requested variance period would be for 120 non-consecutive hours to occur sometime between July 9, 2014, and October 7, 2014, inclusive. If granted,

the variance would allow the wells to continue to produce with closed casing vents to tanks that are not served by a VRS and to allow the tanks to vent while Chevron performs the maintenance described above.

Mr. Kalashian noted the following modifications to the Recommendations:

1. The variance shall be effective for a non-consecutive 120-hour period to occur sometime between July 9, 2014, and October 6, 2014, inclusive, or until the maintenance is complete and the VRS is returned to compliant operation, whichever occurs first.
8. By October 21, 2014, or no later than 15 calendar days after completing the maintenance and returning the VRS to compliant operation, Chevron shall submit a summary report to the District.

The petitioners had no comments.

Mr. Padilla asked the estimated time of completion. Mr. Enns explained there is much work to be done and the estimated time of completion is 3-4 days. Mr. Padilla asked what a Wemco is. Mr. Enns explained a Wemco is a device that takes the last remaining bit of oil out of the produced water. He added the intent is to clean the used water.

Ms. Dunn asked the cause of the plugging. Mr. Enns explained the plugging occurred to the piping being taken out of service and buildup happening.

Public Comments: None

Having decided the petition had met the required findings, on motion of Mr. Padilla 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>
C. S-14-37S	Short	Chevron USA Inc. 31E. Oil Cleaning Plant Midway Sunset Oil Field

Petitioners: Steve Enns and Dave Bone

Mr. Houlihan presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2201, 2070.7.0, 2520, 4401, and 4623, in addition to applicable conditions of the permits. The requested variance would be for a non-consecutive 21-day period to occur sometime between July 9, 2014, and October 6, 2014, inclusive. If granted, the variance would allow Chevron to continue to store VOC containing liquids in tanks without a functional or operating VRS while Chevron installs the two new compressors. In addition, it will allow wells with closed casing vents to produce into tanks that do not have a functional or operating VRS.

The petitioners had no comments.

Mr. Bland asked the reason for past variances not being completed. Mr. Enns explained there were issues with logistics, scheduling and some equipment could not be obtained.

Mr. Stovall asked if the new design will improve efficiency. Mr. Enns responded affirmatively. Mr. Stovall asked for an analysis of improved efficiency. Mr. Enns stated he did not have the information but the compressors will be dedicated to the VRS.

Public Comments: None

Having decided the petition had 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>
D. S-14-38S	Short	Chevron USA Inc. 31X Oil Cleaning Plant Cymric Oil Field

Petitioners: Dave Bone and Lance Struckhoff

Mr. Moore presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2010, 2070, 2201, 2520 and 4623 in addition to applicable conditions of the subject permits. The requested short variance period would be effective for a consecutive 48-hour period to occur sometime between July 10, 2014, through October 8, 2014, inclusive. If granted, the variance would allow Chevron to temporarily operate the 31X OCP tanks and WEMCOs while the VRS is shutdown. During this time steam enhanced wells will continue to produce to the OCP without vapor control. However, vapors from OCP vessels will flow to the 31X Flare for incineration. This may also cause an exceedance of the daily permitted limit of sour gas incinerated by the 31X Flare. Vapors from the CCS will be shut in until the project is complete.

Dr. Haddock asked for the reason of the deletions of the conditions. Mr. Moore explained Permit to Operate S-1128-248-41 Condition 1 references all the permits that have been marked for deletion in the updated staff report. Dr. Haddock asked what sour gas is. Mr. Bone explained the gas itself has much H<sub>2</sub>S and has a sour smell.

Mr. Moore asked if the petitioner had reviewed the modifications requested. Mr. Bone asked if Recommendation 2C can be modified to include Conditions 3, 4 and 31. Mr. Houlihan stated staff would modify the staff report.

Mr. Houlihan noted the following modification to the Recommendations:

1. The variance shall be effective for a consecutive 48-hour period to occur sometime between July 10, 2014, through October 7, 2014, inclusive, or until Chevron has returned the VRS to compliant operation, whichever occurs first.
8. By October 22, 2014, or no later than 15 calendar days after returning the VRS to compliant operation, whichever occurs first, Chevron shall submit to the District a summary report.

Mr. Bland asked how deep the pip is buried. Mr. Struckhoff explained the depth varies but where the pipe was struck and clamped is approximately 3 feet deep.

Ms. Dunn asked the reason for the leakage and when the pipe was clamped. Mr. Struckhoff responded the pipe was clamped in November and the pipe was struck while auguring out the area for a foundation. He added the pipe is plastic and therefore not picked up by any detecting equipment. Mr. Struck Hoff stated the drawings were last updated in 1985 and pipe was installed prior to that date.

Mr. Padilla asked if there would be monitors to detect any H<sub>2</sub>S. Mr. Bone responded affirmatively noting there are casings and other vapor recovery systems in place and any remaining gas would be monitored by portable monitors at the location of the repairs.

Public Comments: None

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

5. Emergency Variance

The Southern Region Hearing Board heard and granted one emergency variance since the June 11, 2014, 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 August 13, 2014. The meeting will be held via video teleconferencing in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via video teleconferencing.

10. Adjourn

The Chair adjourned the meeting at 10:53 a.m.