

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, June 11, 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 9:59 a.m.

2. Roll Call
- | | |
|--------------------------------|---------|
| Dr. Dean Haddock – Medical | Present |
| Nancy Dunn – Public | Present |
| John Stovall – Attorney | Present |
| William Bland (Chair) – Public | Present |

Staff Present:

Southern Region (Bakersfield): Mike Oldershaw, Air Quality Compliance Manager

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

3. Approve Minutes of May 14, 2014
The Chair asked if there were any comments regarding the Minutes for May 14, 2014. Having decided the Minutes were accurate, on motion of Ms. Dunn and seconded by Mr. Stovall, 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-14-31S	Short	E&B Natural Resources CWOD Lease, FE Smith Lease, Loma Alta Lease Kern County, CA

Petitioners: Shams Hasan, Joe Selgrath and Jason Goklaney

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

Mr. Houlihan presented the Staff Report.

E&B has requested a short variance from the applicable requirements of District Rules 2070, 2201, and 4623, in addition to the applicable conditions of the subject permits. The requested variance period would be effective from May 19, 2014, until August 14, 2014. If granted, the variance would allow the continued storage of VOC containing liquids in the subject tanks until measures can be undertaken to comply with Rule 4623.

Mr. Houlihan noted the following modification on the Comments on Required Findings:

2. E&B anticipated two years ago that they may exceed the 6000 barrel per day threshold at some time in the future.

Dr. Haddock asked what happens if the Bureau of Land Management (BLM) does not give approval for the tank to be replaced. Mr. Houlihan explained the petitioner will most likely need to request another variance if the BLM does not give approval.

Mr. Selgrath clarified there are operations throughout Kern County and the four tanks in question are in the Belgian Anti Cline Field.

Public Comments: None

Having decided the petition had met the required findings, on motion of Mr. Stovall 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>
B. S-14-32S	Short	Chevron USA Inc. Station 36 Kern River Oil Field

Petitioners: Daniel Beck and Barry Mayfield

Mr. Moore presented the Staff Report.

Mr. Moore noted additions to the staff report:

Rule Violations: 4623 – *Storage of Organic Liquids*

CUSA has requested a short variance from the applicable requirements of District Rules 2010, 2070, 2520, and 4401 in addition to conditions of the applicable permits. The requested short variance period would be effective for a non-consecutive 72-hour period to occur sometime between June 11, 2014, and September 8, 2014, 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 upgrades and maintenance are

conducted. 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 noted at Station 36 there is a working vapor recovery system and is in operation. He added there is a concern the compressors will not transfer properly due to the upgrade and therefore extra time was requested to ensure all equipment functions properly.

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>
C. S-14-33S	Short	Aera Energy LLC Alberta, Finley, Shale, et al. Midway Sunset Oil Field

Petitioners: Robert Beebout

Mr. Beebout was sworn in.

Mr. Houlihan presented the Staff Report.

Aera has requested a short variance from the applicable requirements of District Rules 2010, 2070, 2201, 2520, and 4623, in addition to the applicable conditions of the subject permits. The requested short variance would be for a non-consecutive 144-hour period to occur sometime between July 19, 2014, and September 16, 2014, inclusive. 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 relocates its power lines.

Mr. Houlihan noted without electricity there is no oil production.

Mr. Beebout stated it is Aera's intent to ensure the VRS are operating at all times except when the power lines are relocated. He noted the facility is limited by how far PG&E is able to supply power.

Mr. Bland asked if Crimson Resource Management is waiting for Aera to re-route its power lines. Mr. Beebout responded affirmatively.

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.

5. Emergency Variance

The Southern Region Hearing Board heard and granted one emergency variance since the May 14, 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 July 9, 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 10:34 a.m.