

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, October 12, 2016

*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 10:00 a.m.

2. Roll Call

William Bland (Chair) – Public	Present
John Stovall – Attorney	Present
Dr. Robert Moeller – Medical	Present
Daniel Padilla – Engineer	Present

Staff Present:

Southern Region (Bakersfield): Mike Oldershaw, Air Quality Compliance Manager; Jessi Fierro, Assistant District Counsel;

Central Region (Fresno): Michael Carrera, Air Quality Compliance Manager, Clay Bishop, Supervising Air Quality Specialist; Patrick Houlihan, Senior Air Quality Specialist; Crystal Bussard, Air Quality Specialist; Chris Kalashian, Air Quality Specialist; Shannon Moore, Air Quality Specialist; Carol Flores, Operations and Program Support Supervisor

3. Approval of Consent Calendar Items 9-11

These items are routine in nature and are usually approved by a single vote. Prior to action by the Hearing Board, the public will be given the opportunity to comment on any consent item.

9. Approve Minutes of September 14, 2016

10. Emergency Variance

11. Next Scheduled Meeting

The next scheduled meeting is on November 9, 2016. The meeting will be held in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) included via VTC.

Public Comments: None

Moved: Stovall
Seconded: Padilla
Ayes: Stovall, Padilla, Bland, Moeller
Nays: None

Motion unanimously carried to approve Consent Calendar Items 9-11

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-16-36S	Short	Chevron U.S.A. Inc. 32 US Oil Cleaning Plant Lost Hills Oil Field

Petitioners: Daniel Beck and Manish Mishra

Mr. Kalashian 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 the applicable conditions of the subject permits. The requested variance would be for a non-consecutive 21 day period to occur sometime between November 1, 2016, and January 29, 2017, inclusive. If granted, the variance would allow the continued storage of VOC containing liquids in tanks without a functional or operating VRS while the proposed work is performed.

Mr. Beck commented the time period listed is for a worst case scenario.

Public Comments: None

Having decided the petition had met the required findings, on motion of Mr. Padilla 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-16-37S	Short	Chevron U.S.A. Inc. Sour Gas Injection Well #3 Cymric Oil Field

Petitioners: Steve Enns, Kris Rickards and Patrick Dunn

Ms. Bussard presented the Staff Report.

Chevron has requested a short variance from applicable requirements of District Rules 2070 and 2201, in addition to the applicable conditions on the subject permit. The requested short variance period would be for a non-consecutive 504-hour 21-

day) period to occur sometime between October 12, 2016, and January 9, 2017, inclusive. If granted, the short variance would allow for the excess emissions from a transportable flare.

Mr. Padilla asked if the sampling of reservoir fluid required by the California Division of Oil and Gas and Geothermal Resources (DOGGR) is customary. Mr. Dunn explained the sampling is part of the aquifer exemption effort by EPA which all producers in the area must perform.

Mr. Stovall asked what the impacts would be if variance were denied. Mr. Rickards stated DOGGR did not provide specifics on what impacts would occur if the sampling was not performed. Mr. Stovall asked for clarification on the requested time period for the variance. Ms. Bussard explained the petitioner is limited to the non-consecutive 504 hours.

Mr. Rickards reported the method of the operations will be modified and should reduce the time required and does not modify the Recommendations. Mr. Bland requested clarification of the new method. Mr. Dunn explained the new proposed process.

Mr. Padilla asked the distance for the next possible location to deposit the gas. Mr. Dunn stated the next possible location is 1.5 miles away. Mr. Rickards explained there is no equipment available to get gas into the wells, but not out of the wells or equipment to transport the gas. The excess emissions would remain the same because the gas would still need to be incinerated. Mr. Dunn stated the petitioners are confident the sampling request will not reoccur. Mr. Rickards explained EPA is aware of the excess emissions caused by the sampling requirement.

Mr. Bland asked if the EPA can be contacted to ensure they are aware of the excess emissions caused by this sampling requirement. Mr. Bishop stated District staff will contact EPA to explain process.

Public Comments: None

Having decided the petition had met the required findings, on motion of Mr. Stovall and seconded by Dr. Moeller, passed with one abstention, the petitioner was granted a short variance.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. S-16-38S	Short	Chevron U.S.A. Inc. Station 1-09 Oil Cleaning Plant Midway Sunset Oil Field

Petitioners: Kris Rickards, Steve Enns and DJ Yohn

Mr. Kalashian presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, 4311, 4401, and 4623, in addition to applicable conditions of the subject permits. The requested variance period would be for a non-consecutive 360-hour period to occur sometime between October 17, 2016, and January 14, 2017, inclusive. If granted, the variance would allow Chevron to continue to store VOC containing liquids in the subject tanks without an operating or functional VRS while Chevron conducts the proposed work. 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. Rickards commented the flare is not expected to operate at full capacity during the whole variance period so the emissions will be extraordinarily less than listed.

Mr. Stovall asked for an estimate of time the flare will be running. Mr. Yohn explained there is a very small percentage of time the flare will be running. Mr. Rickards explained the permit limits were used for the calculations.

Mr. Padilla asked the number of tanks that are hooked up to the Vapor Recovery System. Mr. Rickards responded there are approximate 15 tanks in this larger facility. Mr. Padilla asked the approximate time the project will take. Mr. Rickards explained the project will be completed in a few hours to keep flare use at a minimum.

Public Comments: None

Having decided the petition had met the required findings, on motion of Dr. Moeller 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-16-40S	Short	Aera Energy LLC Gas Plant 32 Belridge Oil Field

Petitioners: Brent Winn and Matt Funkhouser

Mr. Moore presented the Staff Report.

Aera has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4320 in addition to applicable conditions on the subject permits. The requested short variance period would be for a consecutive 12-hour period to occur sometime between October 12, 2016, and January 9, 2017, inclusive. If granted, the variance would allow field gas with excess H₂S to enter the fuel gas distribution system. In addition, it will allow 38 steam generators to exceed their SO_x output limit.

The petitioner had no further comments.

Public Comments: None

Having decided the petition had met the required findings, on motion of Mr. Padilla 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>
E. S-16-41S	Short	Chevron U.S.A. Inc. Station 31 Midway Sunset Oil Field

Petitioners: Ashley Armstrong, Steve Enns and Kris Rickards

Ms. Bussard presented the Staff Report.

Chevron has requested a short variance from applicable requirements of District Rules 2070, 2201, and 4623 in addition to the applicable conditions on the subject permits. The requested short variance period would be for a non-consecutive 72-hour period to occur sometime between October 12, 2016, and January 9, 2017, 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 Chevron performs the work described above.

The petitioner had no further comments.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
F. S-16-42S	Short	Chevron USA Inc. 26C Cogeneration Plant Midway Sunset Oil Field

Petitioners: Kris Rickards, Steve Enns and Andrew Gerlings

Mr. Moore presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2010, 2070, 2201, 2520, 4401, and 4623, in addition to applicable conditions of the subject permits. The requested variance period would be for a non-consecutive 48-hour period to occur sometime between November 1, 2016, and January 30, 2017, inclusive. If granted, the variance would allow Chevron to continue to store VOC containing liquids in the subject tanks without an operating or functional VRS while they conduct the maintenance and upgrades at the 26C Steam Plant. In addition, it will allow wells with closed casing gas vents to produce into tanks that do not have a functional or operating VRS.

The petitioner had no further comments.

Public Comments: None

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

5. Public Comments
None

6. Hearing Board Member Comments
None

7. New Business
None

8. Adjournment
The Vice Chair adjourned the meeting at 10:59 a.m.