

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, January 13, 2016

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

1. Call Meeting to Order
The Vice Chair, John Stovall, called the meeting to order at 10:00 a.m.

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

Staff Present:

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

Central Region (Fresno): Patrick Houlihan, Senior Air Quality Specialist; Shannon Moore, Air Quality Specialist; Crystal Bussard, Air Quality Specialist; Chris Kalashian, Air Quality Specialist; Jessi Fierro, Assistant District Counsel; Carol Flores, Operations and Program Support Supervisor

3. Approve Minutes of December 9, 2015
The Vice Chair asked if there were any comments regarding the Minutes for December 9, 2015. Hearing none the Minutes were approved with no changes.

4. Public Hearing
The Vice Chair swore in all those present to testify for all matters.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
A. S-15-65R	Regular	California Resources Elk Hills North Coles Levee Oil Field South Coles Levee Oil Field Paloma Oil Field

Petitioners: Juan Campos

Mr. Houlihan presented the Staff Report.

Elk Hills has requested a regular variance from the applicable requirements of District Rule 4623. The requested variance would be from January 1, 2016, until January 1, 2017. If granted, the variance would allow for the storage of VOC

containing liquids without an operational or functional VRS until Elk Hills can install a VRS.

Dr. Haddock asked the cost of the VRS for each tank. Mr. Campos explained the cost is approximately \$550,000 for all the tanks.

Public Comments: None

Having decided the petition had met the required findings, on motion of Dr. Haddock 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>
B. S-15-70S	Short	California Resources Production Corp Rio Viejo Facility San Emidio Nose Oil Field

Petitioners: Doug Shaffer

Mr. Kalashian presented the Staff Report.

California Resources has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4623, in addition to the applicable conditions of the subject permits. The requested variance would be for a non-consecutive 8 hour period to occur sometime between January 14, 2016, and February 14, 2016, inclusive. If granted, the variance would allow the continued storage of VOC containing liquids in the subject tanks without a functional or operating VRS.

Mr. Kalashian corrected Recommendation

5. CRPC shall notify the District at least 24 hours, but no earlier than 96 hours, before the VRS is scheduled to be shut down.

Mr. Shaffer commented this type of project has previously been completed at other facilities.

Public Comments: None

Having decided the petition had met the required findings, on motion of Ms. Dunn 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-15-71S	Short	California Resources Production Corp Kern Front Facility Kern Front Oil Field

Petitioners: Zachary Dransoff

Ms. Bussard presented the Staff Report.

California Resources has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, 4401, and 4623 in addition to applicable conditions of the subject permits. The requested short variance would be a consecutive 48-hour period to occur sometime between January 20, 2016, and January 25, 2016, inclusive. If granted, it would allow the continued storage of VOC containing liquids in the subject tanks without a functional or operating VRS until PG&E restores electrical power. It shall also provide that the collected vapors do not have to be incinerated in the steam generators.

The Petitioner had no further comments.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
D. S-15-74S	Short	California Resources Production Corp Vedder Section 9 Tank Facility Mt. Poso Oil Field

Petitioners: Doug Shaffer

Mr. Houlihan presented the Staff Report.

California Resources Production Corp has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4623 in addition to applicable conditions of the subject permits. The requested short variance would be for a consecutive 72-hour period to occur sometime between January 20, 2016, and January 25, 2016, inclusive. If granted, it would allow the continued storage of VOC containing liquids in the subject tanks without a functional or operating VRS until PG&E restores electrical power. It shall also provide that the collected vapors do not have to be incinerated in the heater treaters.

Dr. Haddock requested clarification on the increase in emissions. Mr. Houlihan explained the increase in emissions is due to lighter oil. Mr. Shaffer explained the emissions estimate is a worst case scenario estimate.

Public Comments: None

Having decided the petition had met the required findings, on motion of Ms. Dunn 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-15-69S	Short	Chevron USA Inc. Station 2-22 Oil Cleaning Plant Midway Sunset Oil Field

Petitioners: Steve Enns, Kevin Wagner and Kris Rickards

Mr. Moore presented the Staff Report.

Chevron has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, 4401, 4623, in addition to applicable conditions on the subject permits. The requested short variance period would be for anon-consecutive 72 hour period to occur sometime between January 13, 2016, and April 11, 2016, inclusive. If granted, the variance would allow the shutdown of the VRS while the work described above is performed.

The petitioners had no further comments.

Public Comments: None

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

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
F. S-15-73S	Short	Chevron USA Inc. 31X Oil Cleaning Plant 31X Water Cleaning Plant Midway Sunset Oil Field

Petitioners: Steve Enns, Kevin Wagner and Kris Rickards

Mr. Houlihan 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 effective for a non-consecutive 120-hour period to occur sometime between January 14, 2016, and April 12, 2016, 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 maintenance. During this time, steam enhanced wells will continue to produce to the OCP that will not have its VRS in operation.

Dr. Haddock asked what sour gas is. Mr. Houlihan explained the gas contains H₂S which produces a sulfur type odor.

Public Comments: None

Having decided the petition had 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 heard and granted four emergency variances since the December 9, 2015, Hearing Board meeting.

6. Public Comments

No public comment.

7. Hearing Board Member Comments

None

8. New Business

The Vice Chair requested nominations for the position of Chair. On motion of Ms. Dunn and seconded by Dr. Haddock, unanimously passed, Mr. Bland was appointed Chair of the Southern Region Hearing Board for 2016.

The Vice Chair requested nominations for the position of Vice Chair. On motion of Dr. Haddock and seconded by Ms. Dunn, unanimously passed. Mr. Stovall was appointed Vice Chair of the Southern Region Hearing Board for 2016.

Ms. Fierro reported she will be on maternity leave for the next few months and Annette Williamson, District Counsel, will attend the Hearing Board meetings in her absence.

9. Next Scheduled Meeting

The next scheduled meeting is February 10, 2016. 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 Vice Chair adjourned the meeting at 10:43 a.m.