

Santa Barbara County
Air Pollution Control District

JUN 10 2011

Mr. Gerardo Rios
USEPA - Permits Office (AIR 3)
75 Hawthorne Street
San Francisco, CA 94105

FID: 08013
Permit: AP 13676
SSID: 01325

Re: Proposed Minor Permit Modification to Plains Exploration and Production Co.
Platform Harvest - Part 70/APCD ATC/PTO 13676

Dear Mr. Rios:

This letter transmits Proposed Minor Permit Modification Authority to Construct/Permit to Operate 13676 for modifications to Part 70/APCD PTO 9103-R3. Included with the proposed permit is a copy of the application submitted by the applicant for this modification. We plan to issue this minor permit modification as final after July 24, 2011 provided your office has not objected to such issuance during this time interval.

If you have any questions, please contact Jim Menno of my staff at (805) 614-6787.

Sincerely,



Michael Goldman, Manager
Engineering & Compliance Division

enc: Proposed ATC/PTO 13676
Application forms for Minor Modification to Platform Harvest

cc: Platform Harvest Lease FID 08013 Project File NC/SC
ECD Chron File
B. Ellenberger (cover letter only)



Authority to Construct/Permit to Operate 13676

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EQUIPMENT OWNER:

The Point Arguello Companies

220124

EQUIPMENT OPERATOR:

Plains Exploration & Production Company

EQUIPMENT LOCATION:

Platform Harvest, Pt. Arguello Oilfield, Santa Barbara County

STATIONARY SOURCE/FACILITY:

The Point Arguello Project
Platform Harvest

SSID: 01325
FID: 08013

AUTHORIZED MODIFICATION:

Replacement of two production heaters.

EQUIPMENT DESCRIPTION:

The equipment subject to this permit is listed in the table at the end of this permit.

CONDITIONS:

9.A Standard Administrative Conditions

In case of a discrepancy between the wording of a condition and the applicable District rule, the wording of the rule shall control.

A.1 Compliance with Permit Conditions.

- (a) The permittee shall comply with all permit conditions in Sections 9.A, 9.B and 9.C.
- (b) This permit does not convey property rights or exclusive privilege of any sort.
- (c) Any permit noncompliance constitutes a violation of the Clean Air Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.
- (d) It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.
- (e) A pending permit action or notification of anticipated noncompliance does not stay any permit condition.
- (f) Within a reasonable time period, the permittee shall furnish any information requested by the Control Officer, in writing, for the purpose of determining:
 - (i) compliance with the permit, or
 - (ii) whether or not cause exists to modify, revoke and reissue, or terminate a permit or for an enforcement action.
- (g) In the event that any condition herein is determined to be in conflict with any other condition contained herein, then, if principles of law do not provide to the contrary, the condition most protective of air quality and public health and safety shall prevail to the extent feasible.

- A.2 Emergency Provisions.** For the purpose of seeking regulatory relief the permittee shall comply with the requirements of District Rule 505 (sections A, B.1 and D (Breakdown Conditions) and/or District Rule 1303.F, whichever is applicable to the emergency situation. In order to maintain an affirmative defense under Rule 1303.F, the permittee shall provide the District, in writing, a "notice of emergency" within 2 days of the emergency. The "notice of emergency" shall contain the information/documentation listed in Sections (1) through (5) of Rule 1303.F.

- A.3 **Right of Entry.** The Regional Administrator of USEPA, the Control Officer, or their authorized representatives, upon the presentation of credentials, shall be permitted to enter upon the premises where a Part 70 Source is located or where records must be kept:
- (a) To inspect the stationary source, including monitoring and control equipment, work practices, operations, and emission-related activity, at reasonable times;
 - (b) To inspect and duplicate, at reasonable times, records required by this permit;
 - (c) To sample substances or monitor emissions from the source or assess other parameters to assure compliance with the permit or applicable requirements, at reasonable times.
- Monitoring of emissions can include source testing.
- A.4 **Severability.** In the event that any condition herein is determined to be invalid, all other conditions shall remain in force.
- A.5 **Payment of Fees.** The permittee shall reimburse the District for all its Part 70 permit processing and compliance expenses for the stationary source on a timely basis. Failure to reimburse on a timely basis shall be a violation of this permit and of applicable requirements and can result in forfeiture of the Part 70 permit. Operation without a Part 70 permit subjects the source to potential enforcement action by the District and the USEPA pursuant to section 502(a) of the Clean Air Act. [*Re: District Rules 1303.D.1 and 1304.D.11, 40 CFR 70.6(a)(7)*]
- A.6 **Prompt Reporting of Deviations.** The Permittee shall submit a written report to the District documenting each and every deviation from the requirements of this permit or any applicable federal requirements within seven (7) days after discovery of the violation, but not later than six (6) months days after the date of occurrence. The report shall clearly document 1) the probable cause and extent of the deviation 2) equipment involved, 3) the quantity of excess pollutant emissions, if any, and 4) actions taken to correct the deviation. The requirements of this condition shall not apply to deviations reported to the District in accordance with Rule 505 (*Breakdown Conditions*), or Rule 1303.F (*Emergency Provisions*). [*District Rule 1303.D.1, 40 CFR 70.6(a)(3)*]
- A.7 **Federally-enforceable Conditions.** Each federally enforceable condition in this permit shall be enforceable by the USEPA and members of the public. [*Re: CAAA, § 502(b)(6), 40 CFR 70.6(b)*]
- A.8 **Recordkeeping Requirements.** The permittee shall maintain records of required monitoring information that include the following:
- (a) The date, place as defined in the permit, and time of sampling or measurements;
 - (b) The date(s) analyses were performed;
 - (c) The company or entity that performed the analyses;
 - (d) The analytical techniques or methods used;
 - (e) The results of such analyses; and
 - (f) The operating conditions as existing at the time of sampling or measurement;

The records (electronic or hard copy), as well as all supporting information including calibration and maintenance records, shall be maintained for a minimum of five (5) years from date of initial entry by the permittee and shall be made available to the District upon request. "Supporting information" includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all logs and reports required by the permit. [*Re: District Rule 1303.D.1.f, 40 CFR 70.6(a)(3)(ii)(A)*]

9.B Generic Conditions

In case of a discrepancy between the wording of a condition and an applicable federal or District rule, the wording of the rule shall control. These conditions apply to all emission units, regardless of their category or emission rates.

- B.1 **Circumvention (Rule 301).** A person shall not build, erect, install, or use any article, machine, equipment or other contrivance, the use of which, without resulting in a reduction in the total release of air contaminants to the atmosphere, reduces or conceals an emission which would otherwise constitute a violation of Division 26 (Air Resources) of the Health and Safety Code of the State of California or of District Rules and Regulations. This Rule shall not apply to cases in which the only violation involved is of Section 41700 of the Health and Safety Code of the State of California, or of District Rule 303.B.2.
- B.2 **Nuisance (Rule 303).** No pollutant emissions from any source shall create nuisance conditions. No operations shall endanger health, safety or comfort, nor shall they damage any property or business.

9.C Requirements and Equipment Specific Conditions

Federally-enforceable conditions, including emissions and operations limits, monitoring, recordkeeping and reporting are included in this section for each specific group of equipment as well as other non-generic requirements.

The following permit condition supersedes permit condition 9.C.4 of Pt70 PTO 9103-R3.

- C.4 **Fugitive Hydrocarbon Emissions Components.** The following equipment are included in this emissions unit category:

Device No.	Name
	<i>Oil Service Components</i>
005388	Oil - Controlled
	Oil - Unsafe
	<i>Gas/Light Liquid Service Components</i>
005389	Gas - Controlled
	Gas - Unsafe

- (a) Emission Limits: Mass emissions from the gas/light liquid service and oil service components listed above shall not exceed the limits listed in Tables 5.1-3 and 5.1-4 of Pt70 PTO 9103-R3.
- (b) Operational Limits: Operation of the equipment listed in this section shall conform to the requirements listed in District Rule 331.D and E. Compliance with these limits shall be assessed through compliance with the monitoring, recordkeeping and reporting conditions in this permit. In addition PXP shall meet the following requirements:
- (i) *VRS Use*: The vapor recovery/gas collection (VRGC) system shall be in operation when the equipment connected to the VRGC system at the facility is in use. The VRGC system includes piping, valves, and flanges associated with the VRGC system. The VRGC system shall be maintained and operated to minimize the release of emissions from all systems, including pressure relief valves and gauge hatches.
 - (ii) *I&M Program*: The most current version of the District-approved *Rule 331 Inspection and Maintenance Plan* for Platform Harvest shall be implemented for the life of the project. The Plan, and any subsequent District approved revisions, is incorporated by reference as an enforceable part of this permit.
 - (iii) *Leak-Path Count*: The total leak-path component count listed in the most recent I&M component leak-path inventory for Platform Harvest shall not exceed the total leak-path component count listed in Table 5.1-1 of Pt70 PTO 9103-R3 by more than five-percent. This five-percent range is to allow for minor differences due to component counting methods and does not constitute allowable emissions growth due to the addition of new equipment.
 - (iv) *Venting*: All routine venting of hydrocarbons shall be routed to either the sales compressor, flare header, injection well or other District-approved control device.
 - (v) *Rule 331 BACT*: There are no components subject to BACT on Platform Harvest.

- (c) Monitoring: The equipment listed in this section are subject to all the monitoring requirements listed in District Rule 331.F. The test methods in Rule 331.H shall be used, when applicable.
- (d) Recordkeeping: The equipment listed in this section are subject to all the recordkeeping requirements listed in District Rule 331.G. In addition, PXP shall:
 - (i) *I&M Log*: PXP shall record in a log the following: a record of leaking components found (including name, location, type of component, date of leak detection, the ppmv or drop-per-minute reading, date of repair attempts, method of detection, date of re-inspection and ppmv or drop-per-minute reading following repair); a record of the total components inspected and the total number and percentage found leaking by component type; a record of leaks from critical components; a record of leaks from components that incur five repair actions within a continuous 12-month period; and, a record of component repair actions including dates of component re-inspections.

For the purpose of the above paragraph, a leaking component is any component which exceeds the applicable limit (e.g., greater than 1,000 ppmv for minor leaks under Rule 331).

- (e) Reporting: The equipment listed in this section are subject to all the reporting requirements listed in District Rule 331.G. On a semi-annual basis, a report detailing the previous six month's activities shall be provided to the District. The report must list all data required by the *Compliance Verification Reports (CVR)* condition of Pt70 PTO 9103-R3. As a separate and identifiable part of the Leak Summary Table of each CVR, PXP shall provide a copy of the Recordkeeping requirements listed immediately above in item (d) for the Enhanced I&M Program. [Re: *District Rules 331 and 1303, PTO 9103, 40 CFR 70.6*]

9.D District-Only Conditions

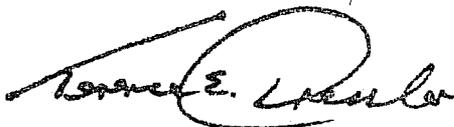
The following section lists permit conditions that are not enforceable by the USEPA or the public. However, these conditions are enforceable by the District and the State of California. These conditions are issued pursuant to District Rule 206 (*Conditional Approval of Authority to Construct or Permit to Operate*), which states that the Control Officer may issue an operating permit subject to specified conditions. Permit conditions have been determined as being necessary for this permit to ensure that operation of the facility complies with all applicable local and state air quality rules, regulations and laws. Failure to comply with any condition specified pursuant to the provisions of Rule 206 shall be a violation of that rule, this permit, as well as any applicable section of the California Health & Safety Code.

- D.1 **Permit Activation.** All aspects of this permit are enforceable by the District and the State of California upon the issuance date stamped below. The Part 70 aspects of this permit are not final until:

Authority to Construct/Permit to Operate 13676

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- (a) The USEPA has either provided written comments to the District and these comments require no modification to this permit or the USEPA does not provide written comments during their review period. The District will issue a letter stating that this permit is a final Part 70 permit. The effective date that this permit will be considered a final Part 70 permit will be the date stamped on the District's letter, or
- (b) After the USEPA has provided the District written comments that require a modification to this permit, the District will modify this permit to address the USEPA's comments and issue the Part 70 permit as final. The re-issued permit will supersede this permit in its entirety.



AIR POLLUTION CONTROL OFFICER

JUN 10 2011

DATE

Attachments:

- Permit Equipment List
- Permit Evaluation for Authority to Construct/Permit to Operate 13676

Notes:

- Reevaluation Due Date: November 1, 2011
- Stationary sources are subject to an annual emission fee (see Fee Schedule B-3 of Rule 210).
- Annual reports are due by March 1st of each year.

Equipment List for Authority to Construct/Permit to Operate 13676

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Tuesday, May 10, 2011

Santa Barbara County District – Equipment List

ATC/PTO 13676 / FID: 08013 Platform Harvest / SSID: 01325

A PERMITTED EQUIPMENT

1 Production Heater A

<i>Device ID #</i>	113884	<i>Device Name</i>	Production Heater A
<i>Rated Heat Input</i>		<i>Physical Size</i>	
<i>Manufacturer</i>	Harris Thermal Transfer Products	<i>Operator ID</i>	
<i>Model</i>	18# OD Prod. Heater	<i>Serial Number</i>	#25768
<i>Location Note</i>			
<i>Device Description</i>	Shell & tube type in crude service; heat medium is therminol.		

2 Production Heater B

<i>Device ID #</i>	113885	<i>Device Name</i>	Production Heater B
<i>Rated Heat Input</i>		<i>Physical Size</i>	
<i>Manufacturer</i>	Harris Thermal Transfer Products	<i>Operator ID</i>	
<i>Model</i>	18# OD Prod. Heater	<i>Serial Number</i>	#25769
<i>Location Note</i>			
<i>Device Description</i>	Shell & tube type in crude service; heat medium is therminol.		

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E DE-PERMITTED EQUIPMENT

1 Production Cooler A

<i>Device ID #</i>	102875	<i>Device Name</i>	Production Cooler A
<i>Rated Heat Input</i>		<i>Physical Size</i>	
<i>Manufacturer</i>	Poly Metals	<i>Operator ID</i>	029
<i>Model</i>	Custom	<i>Serial Number</i>	335-X-100 A
<i>Depermitted</i>		<i>Facility Transfer</i>	
<i>Device</i>	Shell & tube type in crude service; heat medium is glycol.		
<i>Description</i>			

2 Production Cooler B

<i>Device ID #</i>	102876	<i>Device Name</i>	Production Cooler B
<i>Rated Heat Input</i>		<i>Physical Size</i>	
<i>Manufacturer</i>	Poly Metals	<i>Operator ID</i>	029
<i>Model</i>	Custom	<i>Serial Number</i>	335-X-100 B
<i>Depermitted</i>		<i>Facility Transfer</i>	
<i>Device</i>	Shell & tube type in crude service, heat medium is glycol.		
<i>Description</i>			



PERMIT EVALUATION FOR AUTHORITY TO CONSTRUCT/PERMIT TO OPERATE 13676

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1.0 BACKGROUND

- 1.1 General: Platform processing facilities include production heaters A&B used to heat the crude prior to shipping it to the Gaviota Oil Heating Facility. The tubes in these units are deteriorated and have rendered them unserviceable. These units will be depermitted and replaced with similar units. During the initial permitting of Platform Harvest, these units were mislabeled as Production Coolers A&B, thus they are listed as production coolers in the depermitted equipment section of the Equipment List associated with this permit action.
- 1.2 Permit History: See PTO 9103-R3 for a complete permit history of Platform Harvest
- 1.3 Compliance History: See PTO 9103-R3 for a complete compliance history of Platform Harvest.

2.0 ENGINEERING ANALYSIS

- 2.1 Equipment/Processes: Production heaters A&B are shell and tube heat exchangers that use therminol as the heat medium to heat the crude oil prior to shipment by pipeline to the Gaviota Oil Heating Facility. These existing units will be removed and replaced with similar units.
- 2.2 Emission Controls: There are no emission controls associated with this equipment.
- 2.3 Emission Factors: With the exception of fugitive emissions from existing piping components (clps) required to connect this equipment to existing processing facilities, there are no emissions associated with this equipment. See section 2.5 below.
- 2.4 Reasonable Worst Case Emission Scenario: Worst case emissions are based on operation of this facility 24 hours/day, 365 days per year.
- 2.5 Emission Calculations: There are no emissions directly associated with these units. The only related emissions are from fugitive emitting components from piping required to connect the units to existing processing facilities, i.e., all components are flanges associated with pre-existing piping (4 total liquid clps for each heater). Emissions from these components were quantified using emission factors pursuant to District P&P 6100.061.1996 (*Determination of Fugitive Hydrocarbon Emissions at Oil and Gas Facilities Through the Use of Facility Component Counts - Modified for*

PERMIT EVALUATION FOR
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Revised ROC Definition) during permitting of the original heat exchangers. PTO 9103-R3 includes the emissions from these components and the fugitive I&M Plan for Platform Harvest includes these fugitive components. Therefore, emission calculations are not included with this permit action since there are no new emissions.

- 2.6 Special Calculations: There are no special calculations.
- 2.7 BACT Analyses: Best Available Control Technology was not required for this project.
- 2.8 Enforceable Operational Limits: The permit has enforceable operating conditions that ensure the equipment is operated properly.
- 2.9 Monitoring Requirements: Monitoring of the fugitive components is required consistent with Rule 331.
- 2.10 Recordkeeping and Reporting Requirements: The permit requires that the data which is monitored be recorded and reported to the District.

3.0 REEVALUATION REVIEW (not applicable)

4.0 REGULATORY REVIEW

4.1 Partial List of Applicable Rules:

- Rule 101. Compliance of Existing Facilities
- Rule 201. Permits Required
- Rule 202. Exemptions to Rule 201
- Rule 205. Standards for Granting Permits
- Rule 331. Fugitive Emissions Inspection and Maintenance
- Rule 505. Breakdown Procedures
- Rule 801. New Source Review
- Rule 802. Nonattainment Review
- Rule 803. Prevention of Significant Deterioration

4.2 Rules Requiring Review: n/a.

- 4.3 NEI Calculations: The net emission increase calculation is used to determine whether certain requirements must be applied to a project (e.g., offsets, AQIA, PSD BACT). This permit does not contribute to the NEI and so the NEI for this permit is zero.

5.0 AQIA

The project is not subject to the Air Quality Impact Analysis requirements of Regulation VIII.

PERMIT EVALUATION FOR
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6.0 OFFSETS/ERCs

6.1 Offsets: The emission offset thresholds of Regulation VIII are not exceeded.

6.2 ERCs: There are no ERCs associated with this permit action.

7.0 AIR TOXICS

An air toxics health risk assessment was not performed for this permitting action.

8.0 CEQA / LEAD AGENCY

This project is exempt from CEQA pursuant to the Environmental Review Guidelines for the Santa Barbara County District (revised November 16, 2000). Appendix A (*District List of Exempt Projects*) specifically exempts the replacement of existing sources that have substantially the same purpose and capacity as the source replaced. No further action is necessary.

9.0 SCHOOL NOTIFICATION

A school notice pursuant to the requirements of H&SC §42301.6 was not required.

10.0 PUBLIC and AGENCY NOTIFICATION PROCESS/COMMENTS ON DRAFT PERMIT

This project was not subject to public notice. There were only minor comments on the draft permit.

11.0 FEE DETERMINATION

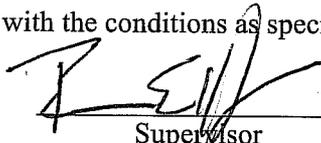
Fees for this permit are assessed under the cost reimbursement provisions of Rule 210.

12.0 RECOMMENDATION

It is recommended that this permit be granted with the conditions as specified in the permit.

J. Menno
AQ Engineer

May 2011
Date


Supervisor

May 2011
Date