Santa Barbara County
Air Pollution Control District

FEB 28 2012

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

FID: 08009
Permit: AP 13749
SSID: 01482

Re: Proposed Minor Permit Modifications to ExxonMobil Production Company's Platform Hondo Part 70/APCD PTO 9100-R4

Dear Mr. Rios:

This letter transmits Proposed Minor Permit Modification Authority to Construct/Permit to Operate (ATC/PTO) 13749 for modifications to Part 70/APCD PTO 9100-R4. 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 April 16, 2012 provided your office has not objected to such issuance during this time interval.

If you have any questions, please contact Ben Ellenberger of my staff at (805) 961-8879.

Sincerely,

Michael Goldman, Manager
Engineering & Compliance Division

enc: Proposed ATC/PTO 13749
Application forms for Minor Modifications to ExxonMobil Production Company's Platform Hondo

cc: Platform Hondo 08009 Project File
ECD Chron File

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Santa Barbara County
Air Pollution Control District

Authority to Construct/Permit to Operate 13749

EQUIPMENT OWNER/OPERATOR:

ExxonMobil Production Company 220113

EQUIPMENT LOCATION:

Platform Hondo, Parcel OCS P-0188, Goleta

STATIONARY SOURCE/FACILITY:

Exxon - SYU Project SSID: 01482
Platform Hondo FID: 08009

AUTHORIZED MODIFICATION:

This permit authorizes replacing the existing flare tip with a flare tip of the same make, model, and heat input rating.

EQUIPMENT DESCRIPTION:

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

PROJECT/PROCESS DESCRIPTION:

The flare tip will be replaced due to several cracks that were found in the "tulip" section of the flare tip during an inspection in the last turnaround completed in 2009. The cracks are believed to have been induced by heat stresses. To mitigate risks associated with these cracks, the flare tip will be replaced during the 2012 turnaround.

CONDITIONS:

A *Standard Administrative Conditions*

The following federally enforceable administrative permit conditions apply to Platform Hondo. In the case of a discrepancy between the wording of a condition and the applicable District rule, the wording of the rule shall control.

A.1 **Condition Acceptance.** Acceptance of this operating permit by ExxonMobil shall be considered as acceptance of all terms, conditions, and limits of this permit. [*Re: PTO 9100*]

A.2 **Grounds for Revocation.** Failure to abide by and faithfully comply with this permit or any Rule, Order, or Regulation may constitute grounds for revocation pursuant to California Health & Safety Code Section 42307 *et seq.* [*Re: PTO 9100*]

A.3 **Indemnity and Separation Clauses.** The Applicant shall defend, indemnify and hold harmless the District or its agents, officers and employees from any claim, action or proceeding against the District or its agents, officers or employees, to attack, set aside, void, or annul, in whole or in part, the approval granted herein. In the event that the District fails promptly to notify the Applicant of any such claim, action or proceeding, or that the District fails to cooperate fully in the defense of said claim, this condition shall thereafter be of no force or effect. In the event that any condition contained herein is determined to be invalid, then all remaining conditions shall remain in force.

A.4 **Reimbursement of Costs**. All reasonable expenses, as defined in District Rule 210, incurred by the District, District contractors, and legal counsel for all activities that follow the issuance of this PTO permit, including but not limited to permit condition implementation, implementation of Regulation XIII (*Part 70 Operating Permits*), compliance verification and emergency response, directly and necessarily related to enforcement of the permit shall be reimbursed by ExxonMobil as required by Rule 210. [*Re: PTO 9100, District Rule 210*]

A.5 **Access to Records and Facilities.** As to any condition that requires for its effective enforcement the inspection of records or facilities by the District or its agents, ExxonMobil shall make such records available or provide access to such facilities upon notice from the District. Access shall mean access consistent with California Health and Safety Code Section 41510 and Clean Air Act Section 114A. [*Re: PTO 9100*]

A.6 **Compliance.** Nothing contained within this permit shall be construed to allow the violation of any local, State or Federal rule, regulation, ambient air quality standard or air quality increment. [*Re: PTO 9100*]

A.7 **Consistency with Analysis.** Operation under this permit shall be conducted consistent with all data, specifications and assumptions included with the application and supplements thereof (as documented in the District's project file) and the District's analyses under which this permit is issued as documented in the Permit Analyses prepared for and issued with the permit. [*Re: PTO 9100*]

A.8 **Consistency with State and Local Permits.** Nothing in this permit shall relax any air pollution control requirement imposed on the Santa Ynez Unit Project by:

(a) The County of Santa Barbara in Final Development Plan Permit 87-DP-32cz and any subsequent modifications;

(b) The Santa Barbara County Air Pollution Control District in Authority to Construct 5651, Permit to Operate 5651, and any subsequent modifications to either permit; and

(c) The California Coastal Commission in the consistency determination for the Project with the California Coastal Act. [*Re: PTO 9100*]

A.9 **Compliance with Department of Interior Permits.** ExxonMobil shall comply with all air quality control requirements imposed by the Department of the Interior in the Development and Production Plan approved for Platform Heritage on September 20, 1985 and any subsequent modifications. Such requirements shall be enforceable by the District. [*Re: PTO 9100*]

A.10 **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 with sections 9.A, 9.B, or 9.C constitutes a violation of the Clean Air Act and is grounds for enforcement action; for permit termination, revocation and re-issuance, 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:

(1) Compliance with the permit, or
(2) 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. [*Re: 40 CFR Part 70.6.(a)(6), District Rules 1303.D.1]*

A.11 **Emergency Provisions.** The permittee shall comply with the requirements of the District, Rule 505 (Upset/Breakdown rule) 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 working days of the emergency. The "notice of emergency" shall contain the information/documentation listed in Sections (1) through (5) of Rule 1303.F. [*Re: 40 CFR 70.6(g), District Rule 1303.F*]

A.12 **Compliance Plans.**

(a) The permittee shall comply with all federally enforceable requirements that become applicable during the permit term in a timely manner.

(b) For all applicable equipment, the permittee shall implement and comply with any specific compliance plan required under any federally-enforceable rules or standards. [*Re: District Rule 1302.D.2*]

A.13 **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;

(b) To inspect and duplicate, at reasonable times, records required by this Permit to Operate;

(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. [*Re: District Rule 1303.D.2*]

A.14 **Severability.** The provisions of this Permit to Operate are severable and if any provision of this Permit to Operate is held invalid, the remainder of this Permit to Operate shall not be affected thereby. [*Re: District Rules 103 and 1303.D.1*]

A.15 **Permit Life.** The Part 70 permit shall become invalid three years from the date of issuance unless a timely and complete renewal application is submitted to the District. Any operation of the source to which this Part 70 permit is issued beyond the expiration date of this Part 70 permit and without a valid Part 70 operating permit (or a complete Part 70 permit renewal application) shall be a violation of the CAAA, § 502(a) and 503(d) and of the District rules.

(a) The permittee shall apply for renewal of the Part 70 permit no later than 6 months before the date of the permit expiration. Upon submittal of a timely and complete renewal application, the Part 70 permit shall remain in effect until the Control Officer issues or denies the renewal application. [*Re: District Rule 1304.D.1*]

A.16 **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.17 **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 7 days after discovery of the violation, but not later than 6 months after the date of occurrence. The report shall clearly document:

(a) The probable cause and extent of the deviation,
(b) Equipment involved,
(c) The quantity of excess pollutant emissions, if any, and
(d) Actions taken to correct the deviation.

The requirements of this condition shall not apply to deviations reported to 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.18 **Reporting Requirements/Compliance Certification.** The permittee shall submit compliance certification reports to the USEPA and the Control Officer every six months. These reports shall be submitted on District approved forms and shall identify each applicable requirement/condition of the permit, the compliance status with each requirement/condition, whether the compliance was continuous or intermittent, and include detailed information on the occurrence and correction of any deviations from permit requirement. The reporting periods shall be each half of the calendar year, e.g., January through June for the first half of the year. These reports shall be submitted by September 1st and March 1st, respectively, each year. Supporting monitoring data shall be submitted in accordance with the "Semi-Annual Compliance Verification Report" condition in section 9.C. The permittee shall include a written statement from the responsible official, which certifies the truth, accuracy, and completeness of the reports. [*Re: District Rules 1303.D.1, 1302.D.3, 1303.2.c*]

A.19 **Federally Enforceable Conditions.** Each federally enforceable condition in this permit shall be enforceable by the USEPA and members of the public. None of the conditions in the District-only enforceable section of this permit are federally enforceable or subject to the public/USEPA review [*Re: CAAA, § 502(b)(6), 40 CFR 70.6(b)*]

A.20 **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;

(g) 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. [*Re: District Rule 1303.D.1.f, 40 CFR 70.6(a)(3)*]

A.21 **Conditions for Permit Reopening.** The permit shall be reopened and revised for cause under any of the following circumstances:

(a) Additional Requirements: If additional applicable requirements (e.g., NSPS or MACT) become applicable to the source which has an unexpired permit term of three (3) or more years, the permit shall be reopened. Such a reopening shall be completed no later than 18 months after promulgation of the applicable requirement. However, no such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended. All such re-openings shall be initiated only after a 30 day notice of intent to

reopen the permit has been provided to the permittee, except that a shorter notice may be given in case of an emergency.

(b) Inaccurate Permit Provisions: If the District or the USEPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emission standards or other terms or conditions of the permit, the permit shall be reopened. Such re-openings shall be made as soon as practicable.

(c) Applicable Requirement: If the District or the USEPA determines that the permit must be revised or revoked to assure compliance with any applicable requirement including a federally enforceable requirement, the permit shall be reopened. Such re-openings shall be made as soon as practicable.

(d) Administrative procedures to reopen a permit shall follow the same procedures as apply to initial permit issuance. Re-openings shall affect only those parts of the permit for which cause to reopen exists.

(e) If a permit is reopened, the expiration date does not change. Thus, if the permit is reopened, and revised, then it will be reissued with the expiration date applicable to the re-opened permit. [*Re: 40 CFR 70.7(f), 40 CFR 70.6(a)*]

A.22 **Credible Evidence.** Nothing in this permit shall alter or affect the ability of any person to establish compliance with, or a violation of, any applicable requirement through the use of credible evidence to the extent authorized by law. Nothing in this permit shall be construed to waive any defenses otherwise available to the permittee, including but not limited to, any challenge to the Credible Evidence Rule (see 62 Fed. Reg. 8314, Feb. 24, 1997), in the context of any future proceeding. [*Re: 40 CFR 52.12(c)*]

B Generic Conditions

The generic conditions listed below apply to all emission units, regardless of their category or emission rates. These conditions are federally enforceable. These rules apply to the equipment and operations at Platform Hondo as they currently exist. Compliance with these requirements is discussed in Section 3.4.2 of PTO 9100 R4. In the case of a discrepancy between the wording of a condition and the applicable District rule, the wording of the rule shall control.

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 these 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. [*Re: District Rule 301*]

B.2 **Visible Emissions (Rule 302).** ExxonMobil shall not discharge into the atmosphere from any single source of emission any air contaminants for a period or periods aggregating more than three minutes in any one hour which is:

(a) As dark or darker in shade as that designated as No. 1 on the Ringelmann Chart, as published by the United States Bureau of Mines, or

(b) Of such opacity as to obscure an observer's view to a degree equal to or greater than does smoke described in subsection B.2(a) above.

For those sources listed in Condition 9.C.25 (*Visible Emissions*), ExxonMobil shall be in compliance with the requirements of this Rule in accordance with the monitoring and compliance recordkeeping procedures in Condition 9.C.25 (*Visible Emissions*). [*Re: District Rule 302*]

B.3 **PM Concentration - South Zone (Rule 305).** ExxonMobil shall not discharge into the atmosphere, from any source, particulate matter in excess of the concentrations listed in Table 305(a) of Rule 305. [*Re: District Rule 305*]

B.4 **Specific Contaminants (Rule 309).** ExxonMobil shall not discharge into the atmosphere from any single source sulfur compounds, carbon monoxide and combustion contaminants in excess of the applicable standards listed in Sections A, E and G of Rule 309. [*Re: District Rule 309*].

B.5 **Sulfur Content of Fuels (Rule 311).** ExxonMobil shall not burn fuels with a sulfur content in excess of 0.5% (by weight) for liquid fuels and 239 ppmvd or 15 gr/100 scf (calculated as H_2S) for gaseous fuel. Compliance with this condition shall be based on daily measurements of the fuel gas using (Draeger tubes, ASTM, or other District-approved) methods and diesel fuel billing records or other data showing the certified sulfur content for each shipment. [*Re: District Rule 311*]

B.6 **Organic Solvents (Rule 317).** ExxonMobil shall comply with the emission standards listed in Rule 317.B. Compliance with this condition shall be based on ExxonMobil's compliance with Condition C.8 (*Solvent Usage*) of this permit. [*Re: District Rule 317*]

B.7 **Vacuum Producing Devices or Systems – Southern Zone (Rule 318).** ExxonMobil shall not discharge into the atmosphere more than 3 pounds of organic materials in any one hour from any vacuum producing devices or systems, including hot wells and accumulators, unless said discharge has been reduced by at least 90 percent. [*Re: District Rule 318*]

B.8 **Solvent Cleaning Operations (Rule 321).** ExxonMobil shall comply with the requirements listed in Sections D, G, I, P and Q of Rule 321. Compliance with this condition shall be based on ExxonMobil's compliance with Condition C.8 (*Solvent Usage*) of this permit as well as District inspections. [*Re: District Rule 321*]

B.9 **Metal Surface Coating Thinner and Reducer (Rule 322).** The use of photochemically reactive solvents as thinners or reducers in metal surface coatings is prohibited. Compliance with this condition shall be based on ExxonMobil's compliance with Condition C.8 (*Solvent Usage*) of this permit and facility inspections. [*Re: District Rule 322*]

B.10 **Architectural Coatings (Rule 323).** ExxonMobil shall comply shall comply with the coating ROC content and handling standards listed in Rule 323.D as well as the Administrative requirements listed in Rule 323.F. Compliance with this condition shall be based on

ExxonMobil's compliance with Condition C.8 (*Solvent Usage*) of this permit and facility inspections. [*Re: District Rule 323*]

B.11 **Disposal and Evaporation of Solvents (Rule 324).** ExxonMobil shall not dispose through atmospheric evaporation of more than one and a half gallons of any photochemically reactive solvent per day. Compliance with this condition shall be based on ExxonMobil's compliance with Condition C.8 (*Solvent Usage*) of this permit and facility inspections. [*Re: District Rule 324*]

B.12 **Adhesives and Sealants (Rule 353).** The permittee shall not use adhesives, adhesive bonding primers, adhesive primers, sealants, sealant primers, or any other primers, unless the permittee complies with the following:

(a) Such materials used are purchased or supplied by the manufacturer or suppliers in containers of 16 fluid ounces or less; or alternately

(b) When the permittee uses such materials from containers larger than 16 fluid ounces and the materials are not exempt by Rule 353.B.1, the total reactive organic compound emissions from the use of such material shall not exceed 200 pounds per year unless the substances used and the operational methods comply with Sections D, E, F, G, and H of Rule 353. Compliance shall be demonstrated by recordkeeping in accordance with Section B.2 and/or Section O of Rule 353. [*Re: District Rule 353*]

B.13 **Oil and Natural Gas Production MACT.** ExxonMobil submitted HAP calculations that show each of these facilities qualifies an area source (not a major source), and thus are not subject to the MACT. This is based on the definitions of "facility" and "major source" in the MACT. The data shows that each platform has less than 10 TPY combined HAPs. [*Re:* 40 CFR 63, Subpart HH]

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 condition below supersedes the corresponding condition in PTO 9100-R4, as specified. All other conditions in PTO 9100-R4 remain in full force and effect.

C.2 **Combustion Equipment - Flare.** The following equipment are included in this emissions unit category:

Device Name	ExxonMobil ID	District Device ID
Thermal Oxidizer		
Purge and Pilot	ZZZ-1420	114577
Planned Continuous	ZZZ-1420	114579
Planned – Other	ZZZ-1420	114578
Unplanned - Other	ZZZ-1420	114580

(a) Emission Limits: Mass emissions from the flare relief system listed above shall not exceed the limits listed in Tables 5.3 and 5.4. Notwithstanding the above and consistent with District P&P 6100.004, the short-term emission limits for *Planned - Other* and *Unplanned - Other* flaring categories in Table 5.3 shall not be considered as enforceable limits. Compliance with this condition shall be based on the operational, monitoring, recordkeeping and reporting conditions in this permit.

(i) Continuous planned flaring emissions are assumed for the flare header based on one-half the minimum detection limit for the meter according to manufacturer minimum velocity detection limits (0.25 fps). Other than flare purge and pilot, this is the only continuous flaring allowed under this permit.

(b) Operational Limits:

(i) *Flaring Volumes* - Flaring volumes from the purge and pilot, planned continuous, planned other and unplanned other events shall not exceed the following volumes:

Flare Category	Hourly (10^3 scf)	Daily (10^3 scf)	Quarterly (10^6 scf)	Annual (10^6 scf)
Purge/Pilot	1.045	25.080	2.289	9.154
Planned Continuous	1.328	31.872	2.908	11.633
Planned Other			1.205	4.820
Unplanned Other			9.000	36.000

(ii) *Flare Purge/Pilot Fuel Gas Sulfur Limits* - The purge/pilot fuel gas combusted in the flare shall not exceed a total sulfur content of 239 ppmv. Compliance shall be based on the monitoring, recordkeeping and reporting requirements of this permit.

(iii) *Flare Planned Continuous Flaring Sulfur Limits* - The sulfur content of all gas burned as continuous flaring in the flare header shall not exceed 15,000 ppmv total sulfur. This limit shall be enforced on an average quarterly basis (i.e., the average of all sulfur content measurements during the quarter). Compliance shall be based on the monitoring, recordkeeping and reporting requirements of this permit.

(iv) *Rule 359 Technology Based Standards* - ExxonMobil shall comply with the technology based standards of Section D.2 of Rule 359. Compliance shall be based on monitoring and recordkeeping requirements of this permit as well as District inspections.

(v) *Flaring Modes* - ExxonMobil shall operate the flare consistent with District P&P 6100.004 (*Planned and Unplanned Flaring Events*). If ExxonMobil is unable to comply with the infrequent planned flaring limit of 4 events per year from the same processing unit or equipment type, then an ATC permit application shall be submitted to incorporate those emissions in the short-term (hourly and daily) emissions of Table 5.3.

(vi) *Rule 359 Planned Flaring Target Volume Limit* - Pursuant to Rule 359, ExxonMobil shall not flare more than 96 million standard cubic feet per month during planned flaring events.

(vii) *Use of Propane as Fuel Gas* - Propane may be used as an auxiliary fuel gas to the flare purge/pilot on a temporary basis only during times when the supply of produced gas is interrupted. The propane shall meet Gas Processors Association specifications for propane (HD-5 grade) and shall have a total sulfur content no greater than 165 ppmv (10 gr/100 scf).

(c) Monitoring: The equipment in this section are subject to all monitoring requirements listed in District Rule 359.G. The test methods In Rule 359.E. shall be used. In addition, ExxonMobil shall:

Flare Header	Event Flow Rate Threshold (scfh)	Meter Minimum Detection Level (scfh)
HP Flare (FE-1110-2)	37,500	37,500
HP Flare (FE-1110-3)	313	313
HP Flare (FE-1110-4)	2,653	2,653
LP Flare (FE-1141)	177	177

(i) *Flare Volumes* - The volumes of gas flared during each planned event shall be monitored by use of District-approved flare header flow meters. Unplanned flaring shall be monitored on an aggregate basis and shall be the difference between the total flare volume and the volume of gas flared during planned flaring events. The meters shall be calibrated and operated consistent with ExxonMobil's District approved *Process Monitor Calibration and Maintenance Plan*. An event is defined as any flow recorded by the flare header flow meters that exceeds the event flow rate

thresholds listed below where the duration is 60 seconds or greater. During an event, any subsequent flows recorded by the flare header flow meter within 5 minutes after the flow rate drops below the minimum detection level of the meter shall be considered as part of the event.

(1) All planned flaring not classified as an event pursuant to the above definition shall be aggregated as a single quarterly volume and recorded in the *Planned Other* flaring category. Notwithstanding the above definition of an event, continuous flaring is prohibited for the *Planned Other* and *Unplanned Other* flaring categories.

(ii) *Purge/Pilot Gas* - ExxonMobil shall continuously monitor the purge/pilot fuel gas using gas detector tubes (or District-approved equivalent). The readings from these gas detector tubes shall be adjusted upward to take into account the average non-hydrogen sulfide reduced sulfur compounds in the fuel gas (if any) consistent with ExxonMobil's District approved *Fuel Gas Sulfur Reporting Plan*. ExxonMobil shall record in a log the results of each gas detector tube reading using a District-approved format. ExxonMobil shall also perform annual total sulfur content and HHV measurements of the fuel gas using ASTM or other District-approved methods. ExxonMobil shall utilize District-approved sampling and analysis procedures.

(iii) *Flaring Sulfur Content* - The hydrogen sulfide content of produced gas combusted during flaring events shall be measured on the schedule pursuant to the District-approved *Flare Gas Sulfur Reporting Plan* using District-approved ASTM methods. On an annual basis, ExxonMobil shall also measure the non-hydrogen sulfide reduced sulfur compounds and these values shall be added to the hydrogen sulfide measurements to obtain the total sulfur content. ExxonMobil shall perform additional testing of the sulfur content and hydrogen sulfide content, using approved test methods, as requested by the District.

(1) ExxonMobil shall sample the flare header to determine the hydrogen sulfide content using sorbent tubes. To obtain the total sulfur content, ExxonMobil shall add the prior year's non-hydrogen sulfide reduced sulfur compounds analysis result to the absorbent tube readings.

(iv) *Pilot Flame Detection* - ExxonMobil shall continuously monitor each pilot to ensure that a flame is present at each pilot at all times.

(v) *Propane Fuel Data* - ExxonMobil shall maintain documentation of the sulfur content and higher heating value (as determined by District-approved ASTM methods) of each propane fuel shipment as certified in the fuel suppliers billing vouchers.

(d) Recordkeeping: The equipment listed in this section is subject to all recordkeeping requirements listed in Rule 359.H. In addition, ExxonMobil shall:

(i) *Flare Event Logs* - All planned flaring events shall be recorded in a log. The log shall include: date; duration of flaring events (including start and stop times);

quantity of gas flared; total sulfur content; hydrogen sulfide content; high heating value; reason for each planned flaring event, including the processing unit or equipment type involved; the total heat input (MMBtu) per event; and, the type of event (e.g., Planned - Continuous LP, Planned - Other). The volumes of gas combusted and resulting mass emissions of all criteria pollutants for each type of event shall also be summarized for a cumulative summary for each day, quarter and year.

(ii) The total volume of gas combusted and resulting mass emissions of all criteria pollutants from "planned other" and unplanned flaring events shall be summarized for each quarter and year.

(iii) *Pilot/Purge Gas Volume* - The volume of pilot/purge fuel gas combusted in the flare shall be recorded on a weekly, quarterly and annual basis.

(iv) *Infrequent Flaring Events* - ExxonMobil shall track and log the number of planned infrequent flaring events (as defined by District P&P 6100.004) from each processing unit or equipment type in a manner approved by the District.

(v) *Propane Fuel Gas Use* - Record in a log or electronic file each usage of propane in a District-approved format and maintain documentation of the sulfur content of each fuel shipment as certified in the fuel suppliers billing vouchers.

(e) Reporting: The equipment listed in this section are subject to all the reporting requirements listed in District Rule 359.H. 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* condition of PTO 9100-R4. [*Re: District Rules 359 and 1303, PTO 9100,ATC/PTO 11232, 40 CFR 70.6*]

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)*

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:

(a) The USEPA has provided written comments to the District and these comments require no modification to this permit. 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.

(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

FEB 28 2012

DATE

Attachments:

- Permit Equipment List
- Permit Evaluation for Authority to Construct/Permit to Operate 13749

Notes:

- Stationary sources are subject to an annual emission fee (see Fee Schedule B-3 of Rule 210).

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PERMIT EQUIPMENT LIST - TABLE A

ATC/PTO 13749 / FID: 08009 Platform Hondo / SSID: 01482

A PERMITTED EQUIPMENT

1 Flare - Purge and Pilot

Device ID #	**114577**	***Device Name***	**Flare - Purge and Pilot**
Rated Heat Input	1.460	*Physical Size*	1045.00 scf/Hour
Manufacturer		*Operator ID*	
Model		*Serial Number*	
Location Note			
Device Description	New flare tip installed during 2012 platform turnaround		

2 Flare - Planned Other

Device ID #	**114578**	***Device Name***	**Flare - Planned Other**
Rated Heat Input	6791.000	*Physical Size*	4.82
Manufacturer		*Operator ID*	
Model		*Serial Number*	
Location Note			
Device Description	New flare tip installed during 2012 platform turnaround		

3 Flare - Planned Continuous

Device ID #	**114579**	***Device Name***	**Flare - Planned Continuous**
Rated Heat Input	1.850	*Physical Size*	1328.00 scf/Hour
Manufacturer		*Operator ID*	
Model		*Serial Number*	
Location Note			
Device Description	New flare tip installed during 2012 platform turnaround		

4 Flare - Unplanned

Device ID #	**114580**	***Device Name***	**Flare - Unplanned**
Rated Heat Input	6791.000	*Physical Size*	36.00 MMcf
Manufacturer		*Operator ID*	
Model		*Serial Number*	
Location Note			
Device Description	New flare tip installed during 2012 platform turnaround		

E DE-PERMITTED EQUIPMENT

1 Flare - Purge and Pilot

Device ID #	**005375**	***Device Name***	**Flare - Purge and Pilot**
Rated Heat Input	1.460	*Physical Size*	1045.00 scf/Hour
Manufacturer		*Operator ID*	
Model		*Serial Number*	
Depermitted		*Facility Transfer*	
Device Description			

2 Flare - Planned Other

Device ID #	**102266**	***Device Name***	**Flare - Planned Other**
Rated Heat Input	6791.000	*Physical Size*	4.82
Manufacturer		*Operator ID*	
Model		*Serial Number*	
Depermitted		*Facility Transfer*	
Device Description			

3 Flare - Planned Continuous

Device ID #	**102265**	***Device Name***	**Flare - Planned Continuous**
Rated Heat Input	1.850	*Physical Size*	1328.00 scf/Hour
Manufacturer		*Operator ID*	
Model		*Serial Number*	
Depermitted		*Facility Transfer*	
Device Description			

4 Flare - Unplanned

Device ID #	**102267**	***Device Name***	**Flare - Unplanned**
Rated Heat Input	6791.000	*Physical Size*	36.00 MMcf
Manufacturer		*Operator ID*	
Model		*Serial Number*	
Depermitted		*Facility Transfer*	
Device Description			

Santa Barbara County
Air Pollution Control District

PERMIT EVALUATION FOR
AUTHORITY TO CONSTRUCT/PERMIT TO OPERATE 13479

1.0 BACKGROUND

1.1 General: The application for Authority to Construct/Permit to Operate 13479 was received on August 2, 2011 and deemed complete on September 7, 2011. This project is to replace the flare tip with an identical make and model flare tip. There are no changes in permitted emissions as a result of this modification.

1.2 Permit History: The following permitting actions have taken place since PTO 9100-R4 was issued in June 2009:

PERMIT	FINAL ISSUED	PERMIT DESCRIPTION
ATC/PTO 13489	8/15/2011	Transfers a portion of ROC mass emissions previously claimed by ExxonMobil as de minimis project emissions. ROC NEI increase was offset by ERCs.
PT-70 ADM 13744	8/25/2011	Change in responsible official from James D. Siegfried to Troy M. Tranquada.
ATC/PTO 13732	11/10/2011	Permitted the replacement of the existing Hondo Drilling Settling Tank, ABJ-1308.

1.3 Compliance History: The following compliance actions have taken place since PTO 9100-R4 was issued in June 2009:

VIOLATION TYPE	NUMBER	ISSUE DATE	DESCRIPTION OF VIOLATION
NOV	9398	9/18/2009	Exceeded the allowable major leaks for the compressor component category per Rule 331.
NOV	9401	8/04/2009	Exceeded the allowable major leaks for the compressor component category per Rule 331, and failed to report the leak under the Breakdown Reporting provisions.
NOV	9759	9/09/2010	Violation of District Rule 359 D.2.b(1) and (3), District Rule 206, Condition 9.C.2(c)(iv) for failure to monitor the presence of the flare pilot flame of District/Part 70 PTO 9100 for failure to maintain the presence of the flare pilot flame at all times combustible gases are vented through the flare and for failing to monitor the presence of the flare pilot flame at all times.

VIOLATION TYPE	NUMBER	ISSUE DATE	DESCRIPTION OF VIOLATION
NTC	9413	1/05/2010	Failure to monitor flare header system purge gas rates per Rule 359 Flare Minimization and Monitoring Plan to due to non-functional flow meter.

2.0 ENGINEERING ANALYSIS

2.1 Equipment/Processes: The flare system is made up of the flare headers, a flare scrubber, a flare tip and an igniter panel. This project is limited to the replacement of the flare tip. A complete description of the flare system can be found in section 2.1.11 of PTO 9100-R4.

2.2 Emission Controls: The flare complies with each of the Rule 359 Technology Based Standards.

2.3 Emissions: There is no change in emissions due to the replacement of the flare tip.

2.4 Reasonable Worst Case Emission Scenario: Operation of the flare is based on the existing flare volumes listed in Table 5.1 of PTO 9100-R4 which defines the operational characteristics that comprise the reasonable worst case-operating scenario.

2.5 Emission Calculations: Emission calculation methodology is detailed in PTO 9100-R4.

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 equipment's operational limits are required to ensure that these are enforceable.

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: This project is anticipated to operate in compliance with the following rules:

Rule 101. Compliance of Existing Facilities
Rule 201. Permits Required
Rule 202. Exemptions to Rule 201
Rule 205. Standards for Granting Permits
Rule 302. Visible Emissions
Rule 303. Nuisance

Rule 309. Specific Contaminants
Rule 311. Sulfur Content of Fuels
Rule 331. Fugitive Emissions Inspection and Maintenance
Rule 359. Flares and Thermal Oxidizers
Rule 505. Breakdown Procedures
Rule 801. New Source Review
Rule 802. Nonattainment Review
Rule 803. Prevention of Significant Deterioration
Rule 810. Federal Prevention of Significant Deterioration

4.2 Rules Requiring Review: None

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). There are no emission changes associated with this permit action.

5.0 AQIA

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

6.0 OFFSETS/ERCs

6.1 Offsets: Offsets were not required by this permitting action.

6.2 ERCs: ERCs were not generated by this permitting action.

7.0 AIR TOXICS

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

8.0 CEQA / LEAD AGENCY

The District is the lead agency for this permit. This replacement project is exempt per Appendix A of the District CEQA Guidelines. The Guidelines specifically exempt repair, maintenance or minor modification of existing facilities, equipment or sources involving negligible or no expansion of use beyond that previously existing. No further action is required.

9.0 SCHOOL NOTIFICATION

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

10.0 PUBLIC and AGENCY NOTFICATION PROCESS/COMMENTS ON DRAFT PERMIT

10.1 This project was not subject to public notice.

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.

AQ Engineer	Date	Supervisor	Date
	2/27/12		2.27.12