

FILED

DEC 19 2013

HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT
Sean Gallagher
Clerk of the Boards
Bay Area Air Quality
Management District

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BEFORE THE HEARING BOARD OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT

AIR POLLUTION CONTROL OFFICER of the
BAY AREA AIR QUALITY MANAGEMENT
DISTRICT,

Complainant,

vs.

COSTA LOMA LIMITED CORPORATION, a California
Corporation;

JAMES A. WILKINSON, *a/k/a* Jim Wilkinson,
individually and *d/b/a* Costa Loma Ltd., Corporation;
and

DOES 1 through 25, inclusive,

Respondents.

DOCKET NO. 3638

[PROPOSED] MODIFIED
CONDITIONAL ORDER FOR
ABATEMENT

On June 28, 2012, the Air Pollution Control Officer ("APCO") of the Bay Area Air Quality Management District ("District"), Complainant in the above-entitled matter, filed with this Hearing Board an Accusation and Request for Conditional Order for Abatement ("Accusation") against Costa Loma Limited Corporation, a California corporation; James A. Wilkinson, *a/k/a* Jim Wilkinson, individually and *d/b/a* Costa Loma Ltd., Corporation; and DOES 1 through 25, inclusive ("Respondents"), requesting that the Hearing Board order Respondents to cease and desist operations at Costa Loma, an oil production facility located at 37.240N, 122.165W in La Honda, San Mateo County,

1 California (the "Facility"), until Respondents come into compliance with District Regulation 2, Rule 1,
2 Section 302.

3 The Clerk of the Hearing Board provided notice of the hearing on the Accusation in accordance
4 with the requirements of Health and Safety Code Section 40823. The Hearing Board heard the request
5 for an Abatement Order on December 6, 2012. After consideration of the evidence, testimony and
6 argument, the Hearing Board voted to issue a Conditional Order for Abatement against Respondents,
7 which Order required that Respondents come into compliance with District regulations no later than
8 October 31, 2013, and complete several interim steps prior to that date.

9 On October 24, 2013, the Hearing Board received a written request from Respondents for an
10 extension of the October 31, 2013 compliance deadline. Respondents stated that due to ongoing
11 treatments for cancer, the limited availability of funding and the complexity of the project, Respondents
12 need more time to come into compliance and request an extension until May 31, 2014. The Hearing
13 Board also received a response to Respondents' request for an extension from the Air Pollution Control
14 Officer ("APCO") on October 24, 2013. The APCO stated that District staff is in agreement with
15 Respondents' request for an extension because Respondents have worked diligently with the District
16 over the past year, have shown considerable progress towards coming into compliance with District
17 Regulations, and Respondent Wilkinson is struggling with illness beyond his control. Both parties noted
18 that Respondents met all increments of progress in the original Order and that the District issued an
19 Authority to Construct the project improvements necessary to come into compliance with District
20 Regulations on October 10, 2013. The APCO agreed to Respondents' proposed May 31, 2014
21 extension, provided the following several increments of progress are completed in the interim months:
22

	Milestone	Deadline
23		
24	1 Secure funding for project permitted under Application 24744 (for	January 31, 2014
25	proposed equipment and configuration of equipment)	
26	2 Purchase all equipment for project, including S-20 Crude Oil	February 28, 2014
27		
28		

1	Production Tank (10500 gallons), S-21 Natural Gas-Fired Engine	
2	(44 HP), and any other equipment (such as vapor tight piping,	
3	valves, etc.) necessary to complete project	
4	3 Comply with Permit Condition #25641 Part 5 (for proper removal of	May 15, 2014
5	"Costa" 1000 bbl tank and stored contents), Part 6 (for proper	
6	removal of "Reed" 1000 bbl tank and stored contents), and Part 29	
7	(for proper removal of Hercules G-3400 generator engine)	
8	4 Complete installation of all equipment for project as permitted under	May 15, 2014
9	Application 24744 to comply with Permit Condition #25641 Parts 1,	
10	3, 4, 10, 12, 13, 18, 24, 25	
11	5 Achieve full compliance with District Regulations	May 31, 2014

12
13 After considering Respondents' request for an extension and the APCO's concurrence with the
14 request (subject to adding the aforementioned increments of progress), the Hearing Board concurs with
15 an extension of the Conditional Order for Abatement provided the increments of progress are included
16 in the extension, and issues a modified Order as follows:

17 **MODIFIED ORDER**

18 Cause being found therefore, pursuant to Sections 42451(a) and 42452 of the California
19 Health and Safety Code, THE HEARING BOARD of the BAY AREA AIR QUALITY
20 MANAGEMENT DISTRICT hereby ORDERS:

21 That Respondents' and the APCO's Request for a Modified Conditional Order for Abatement
22 ("Order") shall be and hereby is GRANTED as follows: Costa Loma Limited Corporation, and Mr.
23 James M. Wilkinson, also known as Jim Wilkinson, individually and doing business as Costa Loma
24 Limited Corporation, Respondents in this matter, and their agents, employees, successors and assigns to
25 either obtain a permit to operate or shut down operations, pursuant to the following conditions:

- 26 1) In order to obtain a permit to operate, Respondents shall:

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- (a) Submit a compliance plan to the District that addresses how the Respondents will ensure that their existing or proposed new equipment will properly handle the crude oil, produced natural gas and produced contaminated water streams in compliance with District Regulations 2-2, 8-37, 8-5 and 9-8 no later than 60 days from the date of the hearing;
- (b) Submit any and all necessary, complete permit applications and paying the accompanying permit fees no later than May 15, 2013;
- (c) Secure funding for necessary project improvements by January 31, 2014;
- (d) Purchase all equipment for project improvements by February 28, 2014;
- (e) Remove "Costa" 1000 bbl tank and stored contents, "Reed" 1000 bbl tank and stored contents, and Hercules G-3400 generator engine, pursuant to the terms of Permit Condition #25641 by February 28, 2014;
- (f) Complete installation of all equipment necessary for project improvements by May 15, 2014; and
- (g) Achieve compliance with District Regulation 2-1-301/302 no later than May 31, 2014.

2) If at any time during pursuit of the conditions outlined in condition one, above, Respondents choose to shut down operations in lieu of compliance with District Regulation 2-1 by obtaining a permit to operate, they shall shut down oil production operations and properly close the site so that no air contaminant emissions continue no later than May 31, 2014, and conduct three steps:

- (a) Shut in the oil wells pursuant to the requirements of the California Department of Oil and Gas Resources;
- (b) Drain the liquid and gas storage tanks in a District-approved manner; and
- (c) Remove all liquids and gases from the site in a District-approved manner.

3) Report to the Hearing Board and to the Air Pollution Control Officer, via Assistant Counsel Randi Wallach, documenting compliance with the increments of progress listed at conditions (1)(c) – (1)(g).

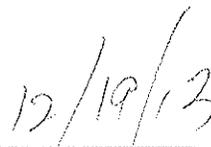
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4) That this Hearing Board retain jurisdiction over this matter until Respondents come into compliance with District Regulation 2, Rule 1, Section 302 in accordance with the requirements set forth in Paragraph 1 above or shut down operations in accordance with the requirements set forth in Paragraph 2 above, whichever is sooner.

5) That this Modified Conditional Order for Abatement shall become effective immediately.



Terry A. Trumbull, Esq., Chair



Date

BEFORE THE HEARING BOARD
OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA

AIR POLLUTION CONTROL OFFICER of the)
BAY AREA AIR QUALITY MANAGEMENT)
DISTRICT,)

Complainant,)

vs.)

COSTA LOMA LIMITED CORPORATION, a)
California corporation;)

JAMES M. WILKINSON, *a/k/a* Jim Wilkinson,)
individually and *d/b/a* Costa Loma Ltd.,)
Corporation;)
and)

DOES 1 through 25, inclusive,)

Respondents)

DOCKET NO. 3638

CERTIFICATE OF SERVICE

I, Sean Gallagher, do hereby certify under penalty of perjury as follows:

That I am a citizen of the United States, over the age of eighteen years and not a party to the above entitled action; that I served a true copy of the attached Modified Conditional Order for Abatement on:

James M. Wilkinson
Costa Loma Ltd. Corporation
890 Sonora Avenue
Half Moon Bay, CA 94019

by depositing same in the United States certified mail, return receipt requested, on January 17, 2014; and

Randi Wallach
Assistant Counsel
Bay Area Air Quality Management District
939 Ellis Street, 7th Floor
San Francisco, CA 94109

by hand-delivery deposit of same in the in-box of the District Counsel's office on January 17, 2014.

DATED: January 17, 2014



Sean Gallagher
Clerk of the Boards