

Exhibit 17

**BEFORE THE HEARING BOARD OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

In The Matter of:)
) Case No. **5855-7**
BETA OFFSHORE OPERATING, LLC)
)
Order Granting Modification and Extension of)
Final Compliance Date to a Regular Variance)
)
Section 42350 of the California)
Health and Safety Code)
)
)

[PROPOSED] FINDINGS AND DECISION OF THE HEARING BOARD

Petitioner’s request for modification to conditions and extension of the final compliance date for a regular variance was heard on the Hearing Board’s Consent Calendar on **November 7, 2024**, as ordered pursuant to notice and in accordance with the provisions of California Health and Safety Code Section 40826. The following members of the Hearing Board were present: Micah Ali, Chair; Robert Pearman, Esq., Vice Chair; Jerry P. Abraham, M.D., MPH, CMQ; Mohan Balagopalan and Cynthia Verdugo-Peralta. Petitioner, Beta Offshore Operating, LLC (hereinafter also referred to as "Petitioner" or “Beta Offshore” or “Beta”), represented by Ivan Tether, Attorney, Tether Law, did not appear. The Executive Officer of the South Coast Air Quality Management District ("District"), represented by Josephine Lee, Senior Deputy District Counsel, did not appear. The parties filed with the Hearing Board a Joint Stipulation to Have This Matter Placed on the Consent Calendar of the Hearing Board. Petitioner filed with the Hearing Board the Declaration of Jeff Ortloff (Director of Facilities Engineering for Amplify Energy Corp., Beta Offshore’s parent company) in support of the Hearing on modification of variance conditions and extension of the final compliance date for a regular variance. The parties submitted Proposed Findings and Decision of the Hearing Board. The public was given an opportunity to testify. The matter was submitted, and evidence received. The Hearing Board finds and decides as follows:

Nature of Business and Location of Facility

1. Petitioner, with a facility located on OCS Lease Parcels P300/P301 of the Outer Continental Shelf, approximately nine miles offshore from Huntington Beach, CA (Facility ID No. 166073), is an oil and gas producer. Beta Offshore includes three offshore platforms, Ellen, Elly and Eureka.

Equipment and Permit to Construct/Operate

2. On December 7, 2023, the Hearing Board granted Beta Offshore a regular variance until November 16, 2024 from certain requirements under District Rules 1110.2, 1134, 1100 and 2012 and 3002, as well as permit conditions detailed below in Paragraph 6. The variance was granted for the following equipment: Six Internal Combustion (Rig) Engines: Devices D81 through D86, Application/Permit Numbers (A/N) 630158, 630160, 630161, 630221, 630222, and 630224; Six Selective Catalytic Reduction (SCR) systems to be retrofitted to those six IC (Rig) Engines: Devices C197 through C202, A/N 630226, 630230, 630231, 630266, 630267 and 630268; Three Centaur Gas Turbines: Devices D98 through D100, A/N 638605, 638607 and 638608; and Three SCR systems to be retrofitted to those three Centaur Turbines: Devices C203 through C205, A/N 638609, 638610 and 638611. The variance was also granted for Three Saturn Turbines, Devices D95 through D97, A/N 516038, 516039 and 516040, which have since ceased operation in compliance with Variance Condition 1. At hearings on April 23, 2024 and July 18, 2024, the Hearing Board granted modifications to Variance Conditions.

SUMMARY OF THE CASE FOR THE INITIAL REGULAR VARIANCE

3. Beta delivers the crude oil produced from the Platforms to the refinery by pipeline. Beta relies on the six internal combustion (IC) engines and six turbines (now only the three Centaur Turbines) referenced above to operate the platforms. Amendments to District Rules 1110.2 on November 1, 2019 and 1134 on February 4, 2022 require substantial NOx reductions from these engines and turbines. (The three Saturn Turbines have now been replaced by electric motors and that element of compliance has been completed.)

4. While Beta began its Air Quality (AQ) Compliance Project in August 2018 in anticipation of the rule amendments, that progress was interrupted in the fall of 2021 (until April 2023) when the impact of prohibited anchor dragging by two third-party container vessels that snagged and ruptured Beta's pipeline manifested into an oil spill. For eighteen months Beta shut down all production and had little if any idea whether it would ever be able to resume normal operations. During that time, Beta was required by federal law to maintain personnel and facility safety systems on the platforms, yet had no revenue from the platforms. Beta primarily devoted resources to investigating and repairing damage to the pipeline. Beta did timely apply for the District permits required for the Air Quality Compliance Project.

5. On or about April 7, 2023, three federal agencies, with input from the California State Lands Commission, authorized Beta to resume use of the pipeline which allowed Beta to return to production. Immediately upon receipt of pipeline authorization, Beta reinstated and expedited the AQ Compliance Project, yet determined in the summer of 2023 that the Project could not be completed by the end of the year and that Beta would require variance relief.

Rules and Permit Conditions for Which Beta Was Out of Compliance at the time of It's Initial Petition

6. As of January 1, 2024, Beta's Saturn Turbines and Centaur Turbines were out of compliance and as of December 31, 2023, Beta's Rig Engines were out of compliance. With the growing exception of the equipment detailed in Paragraph 7 as having achieved compliance, below, Beta's equipment continue to be out of compliance with the following Rules and Permit Conditions because of the interruption in operations triggered by the third-party anchor dragging and pipeline rupture:

- Rule 1134(d)(3), (e)(2) and (e)(3) -- The reduced NOx emission limits could not be achieved by 01/01/2024
- Rule 2012 – Could not comply until after SCR retrofit for reporting lower NOx limits

- Rule 11110.2(d), (e)(2), (e)(4), (e)(10), (f)(1)(C) and (f)(1)(D) -- The RECLAIM facility could not meet the applicable NOx emission limit by 12/31/2023
- Rule 1303 (a)(1)-BACT -- Operator could not comply with equipment being equipped with BACT until SCR are installed
- Rule 1100(d)(1)(B) -- Operator could not meet the RECLAIM transition requirements for Rule 1110.2 by 12/31/2023, as required by this reference in Rule 1100.
- Permit Condition (PC) A63.15 – NOx emissions may exceed 6.1 lb/day limit for Rig Engines.
- PC A63.16 – NOx emissions may exceed 117.5 lb/day for gas turbines
- PC D12.8 – Temperature gauge could not be monitored and maintained until SCR is installed to Rig Engines
- PC D12.9 – Pressure gauge could not be monitored and maintained until SCR is installed to Rig Engines
- PC D12.10 – Flow meter could not indicate the urea injection flow rate until SCR is installed to Rig Engines
- PC D12.11 -- Flow meter could not indicate the urea injection flow rate until SCR is installed (rig engines)
- PC D12.12 -- Temperature gauge could not be monitored and maintained until SCR is installed (gas turbines)
- PC D12.13 -- Pressure gauge could not be monitored and maintained until SCR is installed (gas turbines)
- PC D12.14 -- Flow meter could not indicate the urea injection flow rate until SCR is installed (gas turbines)
- PC D29.5 -- Source test at the outlet of the SCR serving the equipment cannot be performed until SCR is installed (rig engines)
- PC D29.6 -- Source test at the outlet of the SCR serving the equipment cannot be performed until SCR is installed (gas turbines)
- PC E193.2 – Could not assure compliance with backpressure limit until equipment is installed and operating
- PC E448.4 -- Rig engines would be in noncompliance of the I&M plan
- PC E448.9 -- Operator may not be able to comply with timeline requirements of the I&M plan submittal
- PC H23.10 -- Rig engines could not comply with requirements in Rule 1110.2 by 12/31/2023
- PC H23.9 -- Gas turbines could not comply with requirements in Rule 11134 by 1/1/2024

Rules, Permit Conditions and Variance Conditions for Which Beta Achieved

Compliance

7. Summary of Compliance Achieved at This Time:

a. The Saturn Turbines have all been removed from service, and the administrative requirements have been timely completed.

b. The first three Rig Engines (on Platform Eureka) have been retrofitted with SCR and final source test results have been provided to the District. (One Engine failed its source test by a narrow margin. Beta quickly determined the origin of the failure, installed a new fuel metering system to the engine, and will have the engine re-tested as soon as possible, currently scheduled for November 21, 2024.)

c. The first Centaur Turbine completed retrofit on August 27, 2024 and was source tested on or about September 10, 2024. Preliminary indications from the manufacturer and Alliance, the source testing contractor, are that the turbine passed the source test.

d. The next three Rig Engines (on Platform Ellen) were retrofitted by September 9, 2024. Two of these have been commissioned, with source testing completed on or about September 24, 2024. Beta requested that the Hearing Board remove the third of these three engines (Device D83) from the variance. Significant mechanical issues require diagnosis and repair prior to commissioning and source testing. D83 will only be run for testing until final passing source test results are effectively transferred to the District.

e. The second Centaur Turbine completed retrofit and commissioning on or about September 27, 2024 and now anticipated to be source tested on or about November 18, 2024, after the source testing contractor could not make time for a test scheduled for October 16, 2024. There remains some uncertainty whether the only source testing contractor currently available will be able to complete testing on or about

November 18, 2024, which would further delay source testing until January 2025, per the source testing contractor's projection of its availability.

Variance Conditions and Final Compliance Date for which Beta Is Not or Will Not Be in Compliance

8. Parts of the Existing Variance with Which Beta is Unable to Comply:

Condition 5.c: Beta requested modification to Condition 5.c to remove the date deadlines for completing the retrofitting of the remaining third Centaur Turbine. In addition, as explained below, Beta will not be able to comply with the Condition's requirement to complete retrofit of the third Turbines "within sixty (60) days of completing the commissioning of the prior two Centaur Turbines. . . ."

Beta is not currently on track to meet the October 15, 2024 date deadline to retrofit the third Centaur. Beta states that it needs to be sure that the second Centaur Turbine is in good running order before taking the third Centaur Turbine out of service and retrofitting it. The second Centaur Turbine was retrofitted and commissioned on September 27, 2024. While the source testing contractor worked offshore for Beta on October 16, 2024, that time was devoted to a re-test of the first Centaur Turbine, which had exceeded the ammonia limit for its SCR retrofit (1.2 ppm over). Upon completing that test, the source testing contractor insisted it had other pressing work and could not remain to source test the second Centaur Turbine. (They made reference to high demand for source testing because of the tighter emission limits under District Rules 1110.2 and 1134.) The next scheduled source test date for the second Centaur Turbine is November 18, 2024.

Beginning this date the source testing contractor is scheduled to perform multiple source tests, and as experienced on October 16, 2024 this creates uncertainty. If the source testing contractor is not able to test the second Centaur Turbine on November 18, 2024, then, according to the source testing contractor the next available date is in January 2025. Accordingly, in order to avoid the need for further modifications, and to preserve Hearing Board resources, Beta requested that the Board extend the deadline for retrofit of the third

Centaur Turbine consistent with the potential delay in source testing the second Centaur Turbine, i.e., for one hundred and twenty-five (125) days after retrofit of the second Centaur Turbine.

Additional delays, earlier due to conditions and events onshore, are now primarily due to the difficulty of working offshore, particularly the acute spatial limitations placed on staffing and equipment assembly. There are only so many living quarters offshore, and there is only so much deck space. Beta is working toward compliance at maximum expedition. Because the personnel teams cycle on and off weekly, their workdays when on the platforms are permissibly long – 15 to 17 hours per day. It is not possible to provide more personnel or increase hours. Additional delay has arisen as the cumulative impacts of earlier delays come to roost, an evolving circumstance not fully realized at the time of petitioning for the July 18, 2024 modifications. Beta can admit to being overly or even aggressively optimistic in its efforts to achieve compliance as quickly as possible.

Beta requested the following specific modifications to Variance Condition 5:

5. Petitioner shall complete the retrofit of the Centaur Turbines according to the following schedule:

- a. Within seventy-five (75) days of receipt of the selective catalytic reduction (“SCR”) system for at least one of the three Centaur Turbines and no later than August 29, 2024. [*No modification was requested.*]
- b. For the second of the three Centaur Turbines, within sixty (60) days of completing the commissioning of the first Centaur Turbine and no later than September 29, 2024. (Commissioning is required to ensure the safety and reliability of each device and includes processes and tests to ensure all systems and components have been installed, hooked up, and programmed properly. This also includes management of change (MOC), pre-start safety review (PSSR) and quality assurance/quality control (QA/QC) signoffs by the company.) [*No modification was requested.*]
- c. For the third of the three Centaur Turbines, ~~within sixty (60)~~ one hundred twenty-five (125) days of completing the commissioning of the prior two Centaur

Turbines ~~and no later than October 15,~~
2024.

Variance Condition 7: Because of the increased time, up to six weeks, required to schedule the only currently available source testing firm that works offshore, Beta requested that the time allowed to source test Centaur Turbines be extended from 30 days to 60 days. In addition, because accomplishing commissioning of a Turbine after its retrofit is can also be time-demanding, Beta requested that the 60-day source test requirement not begin to run until completion of the commissioning as well as the retrofit.

Beta requested the following specific modifications to Variance Condition 7:

7. At any time after the retrofit of a Centaur Turbine is completed, but no later than ~~thirty (30)~~ sixty (60) days after completing the retrofit and commissioning for all three Centaur Turbines, Petitioner shall conduct a source test pursuant to the requirements of the approved source test protocol to demonstrate Rule 1134 compliance.”

Rig Engine D83: Beta requested that the Hearing Board remove Rig Engine D83 from the variance. Significant mechanical issues require diagnosis and repair prior to commissioning and source testing, and time is currently uncertain. D83 will only be run for testing until final passing source test results are sent to the District.

Final Compliance Date:

Up to now, Beta had been able to maintain compliance with the “within the number of days after a prior step,” deadlines, as specified in Variance Conditions 5 and 12 for retrofit of the Centaur Turbines and the Internal Combustion Rig Engines. Beta reported that it has been more difficult to meet the specific date deadlines, however, and the Hearing Board has seen requests for extensions of those specific dates and now a request to eliminate the remaining date deadline for retrofit of the third Centaur Turbine.

The delays giving rise to Beta’s need for extensions had been caused primarily by

extreme weather (in one case, by flooding of a factory and destruction of a key SCR component) and mismatched parts acquired from different manufacturers. Delays, earlier due to conditions and events onshore, are now primarily due to the difficulty of working offshore, particularly the acute spatial limitations placed on staffing and equipment assembly. Details are provided above, in this Paragraph, under discussion of Variance Condition 5.c.

Beta agrees with District Counsel that while no specific date deadlines were set under the Variance for source testing and provision of final source test results to the District, those source testing requirements generally need to be completed under variance coverage.

Beta has a growing concern that further delay could result from the considerable difficulty in scheduling and re-scheduling source tests, requiring up to six weeks in advance to set a date. To respond to this difficulty, Beta has already scheduled all the remaining source tests required before final compliance. However, if a particular device is not yet ready for source testing on the scheduled date or if the source testing contractor returns offshore for a re-test of a prior source test (as just happened with regard to the second Centaur Turbine), it could take an additional six weeks or longer to re-schedule the source test. Reporting of final test results to District Staff would also be delayed by as much as an additional 60 days. As set out above regarding Variance Conditions ~~7~~ ~~and~~ ~~15~~, Beta requested that the “within a certain number of days” deadlines for performing source tests be extended from 30 to 60 days for source testing Centaur Turbine ~~and from 30 to 45 days for source testing Rig Engines~~, and that this period not begin until the equipment to be tested has been not only retrofitted but also commissioned. Commissioning time can vary, and it can also be difficult to schedule the outside commissioning tech contractors required for this step.

These and other extensions and uncertainties have pushed the feasible final compliance date into 2025. In order to avoid the need for further modifications and extensions, and to preserve Hearing Board resources, Beta requested that the Board extend the final compliance date to March 24, 2025.

With the modifications to Condition 5.c requested for retrofit of the third Centaur Turbine and of Condition 7 requested for source testing of the second Centaur Turbine (sixty days from retrofit and commissioning), Beta will remain bound at every step by the number of days allowed to complete the next step toward compliance after completion of the prior step.

Additional Findings:

9. Final Compliance: As discussed above in Paragraph 8, Beta requested an extension of the Final Compliance Date to March 24, 2024, when the emissions of air contaminants for the source(s) for which the variance is granted will be brought into compliance with applicable emission standards.

10. Increments of Progress: The modifications to Variance Conditions 5(c) and 7 will serve as a schedule of increments of progress.

110. Excess Emissions: Beta's actual excess emissions, which are calculated, reported to the District and paid for month-by-month have proven to be substantially less than calculated in their Petition for the regular variance. Beta's Report of Excess Emissions and Fees for the Month of September 2024 showed actual excess emissions of 595 lbs/day, and mitigation of 2,900 lbs/day. There will be no (0%) Excess Opacity under the requested relief.

121. Harm to Beta if Modifications Not Granted: If the requested modifications to the existing variance were not granted, Beta would no longer be able to operate the second or third Centaur Turbines, which are relied on to power certain essential Platform operations. This would result in a substantial or complete shutdown of production and termination of production revenues. While substantial, the expected economic losses for Beta are extremely variable and dependent on multiple factors, including but not limited to commodity prices, operating expenses, and required capital investments. The revenues

currently generated from Beta production continue to be critical to funding the large investment of over \$25million dollars required to achieve the compliance discussed in this petition. If the requested modifications are not granted and this results in noncompliance and shutdown of operations, about eighty-five (85) employees would be laid off, and many supply chains would be negatively impacted or closed. These services directly impact the local community and taxable state revenue. In the community, the following would be among those negatively affected: marine/dock services, local transportation, skilled laborers and professionals, such as engineers and consultants, as well as local manufacturing and material suppliers. Additionally, the royalties paid by Beta to the Federal government help fund local offices and personnel at the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM). Beta also works closely with the University of Southern California, NASA and NOAA by supporting their oceanic and atmospheric research as they utilize Beta offshore equipment when that equipment is operating.

ORDER

THEREFORE, good cause appearing, the Hearing Board orders as follows:

A. Petitioner is granted the following modifications to Variance Conditions 5(c) ~~and; 7-and-15~~ to serve as a schedule of increments of progress, removal of Rig Engine D83 from the Variance, and the extension of the Final Compliance date to March ~~2524~~, 2024-2025 for the Regular Variance granted on December 7, 2023 and modified on April 23, 2024 and July 18, 2024:

Variance Condition 5 is modified to read: “Petitioner shall complete the retrofit of the Centaur Turbines according to the following schedule:

- a. Within seventy-five (75) days of receipt of the selective catalytic reduction (“SCR”) system for at least one of the three Centaur Turbines and no later than August 29, 2024. [*No modification was requested.*]
- b. For the second of the three Centaur Turbines, within sixty (60) days of completing the commissioning of the first Centaur Turbine and no later than September 29, 2024. (Commissioning is required to ensure the safety and

reliability of each device and includes processes and tests to ensure all systems and components have been installed, hooked up, and programmed properly. This also includes management of change (MOC), pre-start safety review (PSSR) and quality assurance/quality control (QA/QC) signoffs by the company.) [*No modification was requested.*]

c. For the third of the three Centaur Turbines, within ~~sixty (60)~~ one hundred and twenty five (125) days of completing the commissioning of the prior two Centaur Turbines ~~and no later than October 15, 2024.~~”

Variance Condition 7 is modified to read: “At any time after the retrofit of a Centaur Turbine is completed, but no later than ~~thirty (30)~~ sixty (60) days after completing the retrofit and commissioning for all three Centaur Turbines, Petitioner shall conduct a source test pursuant to the requirements of the approved source test protocol to demonstrate Rule 1134 compliance.”

Rig Engine D83, on Platform Ellen, is hereby removed from coverage under this Variance.

The Final Compliance Date of the Variance is extended to March ~~24~~⁵, 2025.

B. Other than the modifications and changes immediately above, Petitioner is subject to the Conditions imposed upon Petitioner under the Regular Variance granted on December 7, 2023 and modified on April 23, 2024 and July 18, 2024 to the extent these Conditions remain applicable.

BOARD MEMBER: _____

DATED: _____

Prepared by Ivan Tether, Attorney for Petitioner
and Reviewed by Josephine Lee, Senior Deputy District Counsel