

EMERGENCY PERMIT

17EMP-00000-00012

**Coastal Zone:**

Subject to the requirements of Section 35-171.2 of the Article II Coastal Zoning Ordinance and the policies of the Coastal Land Use Plan.

Case Name: Venoco Line 96 De-Inventory Project
Case Number: 17EMP-00000-00012
Site Address: 12750 Calle Real, Gaviota, CA 93117
APN: 081-230-021
Applicant/Agent Name: Venoco, LLC

ZONING PERMIT
ISSUED
SANTA BARBARA COUNTY PLANNING & DEVELOPMENT

South County Office
123 E. Anapamu Street
Santa Barbara, CA 93101
(805) 568-2000

Energy and Minerals Division
123 E. Anapamu Street
Santa Barbara, CA 93101
(805) 568-2000

North County Office
624 W. Foster Road
Santa Maria, CA 93454
(805) 934-6250

PERMIT APPROVAL:

This is to inform you that an Emergency Permit has been approved for:

The proposed project is for an emergency permit to allow the de-inventory of Venoco's Line 96 to reduce the risk of an oil spill. Line 96 is currently idled and contains approximately 1,700 barrels of dry oil presenting a potential oil spill risk to the local environment. Crude oil product from the pipeline will be transferred into trucks stationed at the Ellwood Pipeline Inc. (EPI) Tautrim valve site, which is the tie-in point between Venoco's Line 96 and the Plains All American Pipeline. The Plains pipeline is currently empty and idle due to the May 2015 Refugio spill incident.

Up to 5 vacuum truckloads per day will be loaded directly from the EPI valve station. The duration of the de-inventory work is an estimated period of 10 days, including mobilization, trucking operations, and demobilization. A total of 19 truckloads are planned based on the estimated volume of fluids in Line 96 (1,700 barrels), the standard vacuum truck capacity of approximately 5,000 gallons (120 barrels), the maximum loading of 100 barrels per truck, and an additional 200 barrels of flush water. An estimated 17 truckloads of crude oil will be transported via Hwy 101 to the Santa Maria Pump Station and an estimated 2 truckloads of flush water will be transported to an appropriate non-hazardous oilfield waste handling and recycling facility such as Anterra's facility in Oxnard. A portable electric water pump will be used within Ellwood Onshore Facility (EOF) to push the oil and water west to the Tautrim property.

Line 96 will be evacuated of oil (de-inventoried) and remain in idled status pending final pipeline abandonment. No new equipment or facility modifications or expansions to the EOF are planned. Minor brush clearing will occur for temporary equipment placement adjacent to the EPI valve station. Trips will be limited to normal daylight hours. The project will occur on APN 081-230-021, a 276.69-acre parcel, zoned AG-II-320 and located at 12750 Calle Real in the Gaviota Area, 3rd Supervisorial District.

The shut-in of Venoco's Line 96 and EOF and subsequent storage of crude oil in the pipeline constitutes an emergency situation because of the following:

In the event of a natural disaster (earthquake), structural failure of the pipeline, or accidental disturbance of the pipeline from an external force (subsurface work like drilling or excavation), the crude oil product currently in the line would be released to the environment, possibly entering creeks and ultimately into the ocean. No secondary containment exists around the pipeline to protect the environment from potential pipeline failure. Additionally, Venoco has relinquished their lease of offshore production interests and no longer has the right to produce. Under the current state regulation, interest in the lease cannot be transferred to another entity. As such, oil will no longer be processed through EOF or Line 96. To prevent loss or damage to life, health, property and the environment, the crude oil in Line 96 should be transported by truck to an appropriate facility as soon as possible.

Pursuant to Section 35-171.4 of the Article II Coastal Zoning Ordinance, the Director of Planning and Development has verified the existence and nature of the emergency. Therefore, this situation constitutes an emergency in accordance with the applicable zoning ordinance indicated above and immediate action is warranted. As the required findings (listed below) can be made, the emergency work is hereby approved, subject to compliance with the attached conditions of approval. This permit is not valid until signed by the owner/applicant and subsequently issued by the Planning and Development Department upon verification that all conditions of approval requiring action prior to permit issuance are satisfied.

This permit to de-inventory Line 96 does not remove Venoco's obligations to purge, clean and abandon Line 96 pursuant to State and County regulations and requirements.

Sincerely,

A handwritten signature in blue ink that reads "Dianne M. Black". The signature is fluid and cursive, with a large initial "D" and a long horizontal flourish at the end.

DIANNE BLACK
Assistant Director

APPROVAL DATE: October 13, 2017

OWNER/APPLICANT AGREEMENT:

The undersigned permittee acknowledges receipt of this permit and agrees to abide by all terms and conditions of approval incorporated herein. The undersigned also acknowledges and agrees that:

- This Emergency Permit provides only temporary authorization for the proposed action and other applicable permits (such as a Conditional Use Permit, Coastal Development Permit, Land Use Permit, Building Permit) are required by law to validate the emergency work as permanent.
- Any evidence or findings contained herein, or upon which this permit relies, shall not constitute any limitation on the authority of the County of Santa Barbara to issue, grant, deny, rescind, or revoke this permit or any future permit(s) required for the activities described herein, or on the authority of the County of Santa Barbara to analyze, mitigate, or condition any future permit(s) required for the activities described herein.
- This permit does not authorize any work or construction activities outside of the scope of the project as indicated in the project description, conditions of approval and approved plans.
- This permit shall not be construed to authorize any violation of County ordinance or policy, or the violation of any State or Federal regulation.

Mike Wracher

Print Name

[Signature]

Signature

10/16/2017

Date

COO Venoco LLC

PERMIT ISSUANCE:

Joseph Dargel

Print Name

[Signature]

Signature

10/16/2017

Date

BACKGROUND:

On May 19, 2015, the Plains All American Pipeline Line 901 (Plains Line 901) ruptured and resulted in a shut-in along Venoco's Ellwood Pipeline, Inc. (EPI) 6-inch diameter Line 96 which connects Venoco's Ellwood Onshore Facility (EOF) to the Plains All American Pipeline 901. The point of connection with Plains Line 901 is approximately 8.4 miles west of EOF. Plains Line 901 is currently inoperable in Santa Barbara County due to the May 19, 2015 spill incident near Refugio Beach State Park and associated ongoing repairs. Venoco's Platform Holly and Ellwood Onshore Facility have been shut down since May 21, 2015 as a result of the pipeline failure. The duration of the unavailability of the Plains pipeline system is unknown. Additionally, Venoco has relinquished their lease of offshore production interests and no longer has the right to produce. Under the current state regulation, interest in the lease cannot be transferred to another entity. As such, oil will no longer be processed through EOF or Line 96.

Approximately 1,700 barrels of dry oil remain within idled Line 96, presenting a potential oil spill risk to the local environment. Following discussions with the County of Santa Barbara Planning and Development – Energy Division, Venoco is seeking an emergency permit from the County of Santa Barbara to de-inventory the EPI Line 96 pipeline of oil to reduce the risk of an oil spill.

FINDINGS OF APPROVAL:

1. **The approval of this project shall not be held to permit or to be an approval of a violation of any provision of any County Ordinance or State Law.**
2. **In compliance with Section 35-171.5.2 of the Article II Zoning Ordinance, prior to the approval or conditional approval of an application for an Emergency Permit the Director shall first make all of the following findings, as applicable:**
 - a. *An emergency exists and requires action more quickly than provided for by the procedures for permit processing, and the action will be completed within 30 days unless otherwise specified by the terms of the permit.*

The shut-in of Venoco's Line 96 and EOF and subsequent storage of crude oil in the pipeline constitutes an emergency situation because of the following:

In the event of a natural disaster (earthquake), structural failure of the pipeline, or accidental disturbance of the pipeline from an external force (subsurface work like drilling or excavation), the crude oil product currently in the line would be released to the environment, possibly entering creeks and ultimately into the ocean. No secondary containment exists around the pipeline to protect the environment from potential pipeline failure. Because of the unavailability of Plains Line 901, there is no known date when the oil within Line 96 may otherwise be evacuated. Additionally, Venoco has relinquished their lease of offshore production interests and no longer has the right to produce. Under the current state regulation, interest in the lease cannot be transferred to another entity. As such, oil will no longer be processed through EOF or Line 96. Therefore, to prevent loss or damage to life, health, property and the environment, the crude oil in Line 96 should be transported by truck to an

appropriate facility as soon as possible. Therefore, this finding can be made.

b. Public comment on the proposed emergency action has been reviewed.

Immediate action is required to remove the crude oil from Line 96 and prevent a potential spill from the pipeline in the event of rupture. As such, no public comment will be reviewed prior to implementation of the project. Notice of this emergency permit will be posted at three locations in the vicinity of the project area and notices will be mailed to property owners within 300 feet and residents within 100 feet of the project site. Additionally, a notice will be posted in a newspaper of local distribution. Subsequent processing of an amendment to Venoco's Development Plan and associated Coastal Development Permit required to validate the proposed de-inventory work will provide the opportunity for public review and appeal. Therefore, this finding can be made.

c. The action proposed is consistent with the requirements of the Coastal Land Use Plan and Coastal Zoning Ordinance.

The County's Comprehensive Plan includes policies which aim to protect, maintain and restore the environment, including both the natural and man-made environments. The emergency action taken by Venoco is allowed under the Article II Coastal Zoning Ordinance, which recognizes that certain actions warrant immediate, special consideration in order to lessen or remediate an emergency.

The emergency action is consistent to the County's Comprehensive Plan as described below with reference to applicable policies:

Land Use Element

Land Use Development Policy 12: Proposals for expansion, modification, or construction of new oil and gas processing facilities, oil storage facilities, or pipeline terminals, which receive oil from offshore fields exclusively or from both offshore and onshore fields, shall be conditioned to require transportation of oil by pipeline, to processing facilities and final refining destination, except as provided in this policy.

"Final Refining Destination" shall mean a refinery in California where final refining of the subject oil into products is accomplished. Exceptions: Oil shall be considered to reach its final refining destination if (a) the oil has been transported out of the State of California, and does not reenter before final refining; or (b) the oil has been transferred to truck or train after leaving the County by pipeline, and does not reenter the County by truck or train, and is not transferred to a marine vessel for further shipment to a port in California prior to final refining. Crude oil received onshore from offshore production facilities may be transported by highway or rail if the Director determines that the oil is so highly viscous that pipeline transport is infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.

Any shipment of oil by highway or rail under this policy shall be limited to that fraction of the oil that cannot feasibly be transported by pipeline and shall not exceed the limits of

permitted capacity for these transportation modes. The shipper or carrier shall mitigate to the maximum extent feasible any environmental impacts caused by use of the alternate transportation mode.

Temporary transport of oil by waterborne vessel may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by alternate mode shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by the alternate mode shall cease immediately when it becomes technically feasible to resume pipeline transport.

In May of 2015, Plains Line 901 ruptured and resulted in the shutdown of Venoco's Line 96. In the years following the rupture, Line 96 has remained shut-in and full of oil, waiting on Plain Line 901 to be repaired or replaced. Plains Line 901 is expected to eventually be replaced; However, Venoco has relinquished their lease of offshore production interests and no longer has the right to produce. Under the current state regulation, interest in the lease cannot be transferred to another entity. As such, oil will no longer be processed through EOF or Line 96. Crude oil that is trapped in Venoco's Line 96 poses a spill hazard and immediate emergency action is necessary. This emergency action allows Venoco to transport approximately 1,700 barrels of crude oil currently held in Line 96 by trucks to the Santa Maria Pump Station. This emergency action will limit Venoco to transport only the oil currently within Line 96 that would otherwise be transported via Line 901. The shipper or carrier will implement Venoco's County approved Oil Spill Contingency Plan as well as the Transportation Spill Response Contingency Plan as needed and mitigate to the maximum extent feasible any environmental impacts caused by use of the alternate transportation mode. Therefore, the project can be found consistent with this Policy.

Coastal Land Use Plan

Hillside and Watershed Protection Policy 3-19: Degradation of the water quality of groundwater basins, nearby stream, or wetlands shall not result from development of the site. Pollutants, such as chemicals, fuels, lubricants, raw sewage, and other harmful waste, shall not be discharged into or alongside coastal stream or wetlands either during or after construction.

The proposed action of emptying crude oil from Venoco's Line 96 is meant to prevent the potential degradation of groundwater, streams, wetlands and ocean waters that could occur if the pipeline was to fail. The emergency action will include de-inventory of the pipeline. The crude oil will be trucked to the Santa Maria Pump Station. No pollutants, such as chemicals, fuels, lubricants, raw sewage, and other harmful waste, will be discharged into or alongside coastal streams or wetlands either during or after construction; therefore this finding can be made.

Industrial and Energy Development Policy 6-30. Oil and gas facilities shall be dismantled and removed, and their host sites cleaned of contamination and reclaimed to natural conditions, or conditions to accommodate reasonably foreseeable development, in an orderly

and timely manner that avoids long-term impacts to the health, safety, and welfare of the public and environment.

The de-inventory of Venoco's Line 96 is considered an emergency action due to the potential for leakage of stored hazardous crude oil within the pipeline. This removal of hazardous materials would bring the site to a condition that could accommodate reasonably foreseeable development and would avoid impacts to the health, safety, and welfare of the public and environment. Therefore, this finding can be made.

Coastal Act Policy 30232. *Protection against the spillage of crude oil, gas, petroleum products, or hazardous substances shall be provided in relation to any development or transportation of such materials. Effective containment and clean up facilities and procedures shall be provided for accidental spills that do occur.*

Included in the Operations and Contingency Plan for Venoco's existing operation of Line 96 is an approved Oil Spill Contingency Plan (OSCP) that addresses various spill scenarios, including potential spills from Line 96, Tautrim meter station, and ongoing truck loading operations. Additionally, as part of the emergency permit application, the applicant provided a Transportation Spill Response Contingency Plan for their transportation contractor, Pacific Petroleum. This plan provides roles and responsibilities, spill prevention measures, and notification and response procedures for spills and other accidents during loading, unloading and transportation of oil and other materials. These plans provide for effective containment and clean up facilities and procedures in the event of a spill. Therefore, this finding can be made.

Article II Coastal Zoning Ordinance Section 35-159.5

Consolidated Pipeline Terminals, Development Standards, Transportation of oil: *All oil transported from the facility shall be transported by overland pipeline, with the following exception. Temporary transportation by a mode other than pipeline may be permitted under an emergency permit only:*

- a. When the County has made a finding that a declared emergency, which may include a national state of emergency, precludes use of a pipeline.*
- b. If an alternate pipeline does not exist, or exists, but is technically infeasible to utilize.*
- c. For that fraction of the oil that cannot feasibly be transported by pipeline.*
- d. When the environmental impacts of the alternative transportation mode are required to be mitigated to the maximum extent feasible.*

The proposed action is consistent with Article II Section 35-159.5, which provides that the temporary transportation of oil from a facility by a mode other than pipeline may be permitted under an emergency permit when certain criteria are met. First, the County must find that a declared emergency precludes use of a pipeline. On May 19, 2015 and May 21, 2015, the County and the State, respectively, declared states of emergencies due to the rupture of Plains Line 901. Both declared emergencies highlight the rupture and subsequent inoperability of Line 901. The sudden rupture and inoperable pipeline resulted in a facility-wide shut-in of Venoco's EOF and Line 96 and the unplanned storage of 1,700 barrels of crude oil in Line 96. It is unknown when the Plains Line 901 will be repaired and available for the transport of oil.

Additionally, Venoco has relinquished their lease of offshore production interests and no longer has the right to produce. Under the current state regulation, interest in the lease cannot be transferred to another entity. As such, oil will no longer be processed through EOF or Line 96. The second criterion refers to the utilization of an alternate pipeline. There is no alternate pipeline. Third, because Line 901 is inoperable and there is no alternate pipeline, no fraction of the 1,700 barrels of oil currently stored in Line 96 can feasibly be transported by pipeline. Lastly, the environmental impacts of the proposed trucking operations have been mitigated to the maximum extent feasible by measures described in the Emergency Permit application materials dated September 22, 2017, specifically Section 2.13 of the Project Description, as well as by the conditions of approval contained within this Emergency Permit as listed below. Therefore, the project can be found consistent with this policy and this finding can be made.

- 3. This action is not subject to the provisions of the California Environmental Quality Act, pursuant to State CEQA Guidelines Section 15269, statutory exemption for emergency projects.**

EMERGENCY PERMIT CONDITIONS OF APPROVAL

1. This Emergency Permit is based upon and limited to compliance with the project description, and the conditions of approval set forth below. Any deviations from the project description or conditions must be reviewed and approved by the County for conformity with this approval. Deviations without the above-described approval will constitute a violation of permit approval. If it is determined that project activity is occurring in violation of any or all of the following conditions, the Director of Planning and Development may revoke this permit and all authorization for development. The decision of the Director to revoke the Emergency Permit may be appealed to the Planning Commission.

The project description is as follows:

The proposed project is for an emergency permit to allow the de-inventory of Venoco's Line 96 to reduce the risk of an oil spill. Line 96 is currently idled and contains approximately 1,700 barrels of dry oil presenting a potential oil spill risk to the local environment. Crude oil product from the pipeline will be transferred into trucks stationed at the Ellwood Pipeline Inc. (EPI) Tautrim valve site, which is the tie-in point between Venoco's Line 96 and the Plains All American Pipeline. The Plains pipeline is currently empty and idle due to the May 2015 Refugio spill incident.

Up to 5 vacuum truckloads per day will be loaded directly from the EPI valve station. The duration of the de-inventory work is an estimated period of 10 days, including mobilization, trucking operations, and demobilization. A total of 19 truckloads are planned based on the estimated volume of fluids in Line 96 (1,700 barrels), the standard vacuum truck capacity of approximately 5,000 gallons (120 barrels), the maximum loading of 100 barrels per truck, and an additional 200 barrels of flush water. An estimated 17 truckloads of crude oil will be transported via Hwy 101 to the Santa Maria Pump Station and an estimated 2 truckloads of flush water will be transported to an appropriate non-hazardous oilfield waste handling and recycling facility such as Anterra's facility in Oxnard. A portable electric water pump will be

used within Ellwood Onshore Facility (EOF to push the oil and water west to the Tautrim property.

Line 96 will be evacuated of oil (de-inventoried) and remain in idled status pending final pipeline abandonment. No new equipment or facility modifications or expansions to the EOF are planned. Minor brush clearing will occur for temporary equipment placement adjacent to the EPI valve station. Trips will be limited to normal daylight hours. The project will occur on APN 081-230-021, a 276.69-acre parcel, zoned AG-II-320 and located at 12750 Calle Real in the Gaviota Area, 3rd Supervisorial District.

2. An application(s) for the required permits necessary to validate the emergency work as permanent shall be submitted by the applicant to the Planning and Development Department no later than 30 days following the issuance of this Emergency Permit. The permits required for the proposed emergency work include an amendment to the existing Venoco Line 96 Development Plan, Case Number 09DVP-00000-00017, an associated Coastal Development Permit, and subsequent Zoning Clearance pursuant to Section 35-174.9.2 of the Article II Coastal Zoning Ordinance.
3. Any materials required for a completed application, as identified in the initial review of the original application required pursuant to Condition #2 above, shall be submitted within 90 days after written notification of the application deficiencies is provided to the applicant. This time period may be extended by the Director of Planning and Development.
4. Only that emergency work specifically requested and deemed an emergency for the specific property mentioned is authorized. Any additional emergency work requires separate authorization from the Director of Planning and Development. The work authorized by this permit must be commenced within 30 days of the date of issuance of the permit and completed within 60 days after the beginning of construction. If construction activities are proposed by the applicant to commence after 30 days of the date of issuance of the permit or continue beyond 60 days after beginning of construction, separate authorization by the Director of P&D is required.
5. This permit does not preclude the necessity to obtain authorization and/or permits from other County Departments or other agencies.
6. The Director of Planning and Development may order the work authorized under this emergency permit to stop immediately if it is determined that unanticipated and substantial adverse environmental effects may occur with continued construction.
7. **Systems Safety and Reliability Review Committee (SSRRC).** Review of the emergency project shall be completed by SSRRC on October 12, 2017. Any conditions or scope revisions agreed upon in that meeting shall be incorporated into the project and documented in the SSRRC meeting minutes.
8. **Agency Notification.** Owner/applicant shall provide the project schedule to County P&D and CSFM staff prior to implementation of work. Owner/applicant shall provide a minimum of 48 hours notice to County P&D and CSFM staff prior to commencement of de-inventory activities.

9. **Indemnity.** The Applicant shall defend, indemnify and hold harmless the County or its agents or officers and employees from any claim, action or proceeding against the County or its agents, officers or employees, to attack, set aside, void, or annul, in whole or in part, the County's granting of this emergency permit. In the event that the County fails to promptly notify the Applicant of any such claim, action or proceeding, or that the County fails to cooperate fully in the defense of said claim, this condition shall thereafter be of no further force or effect.

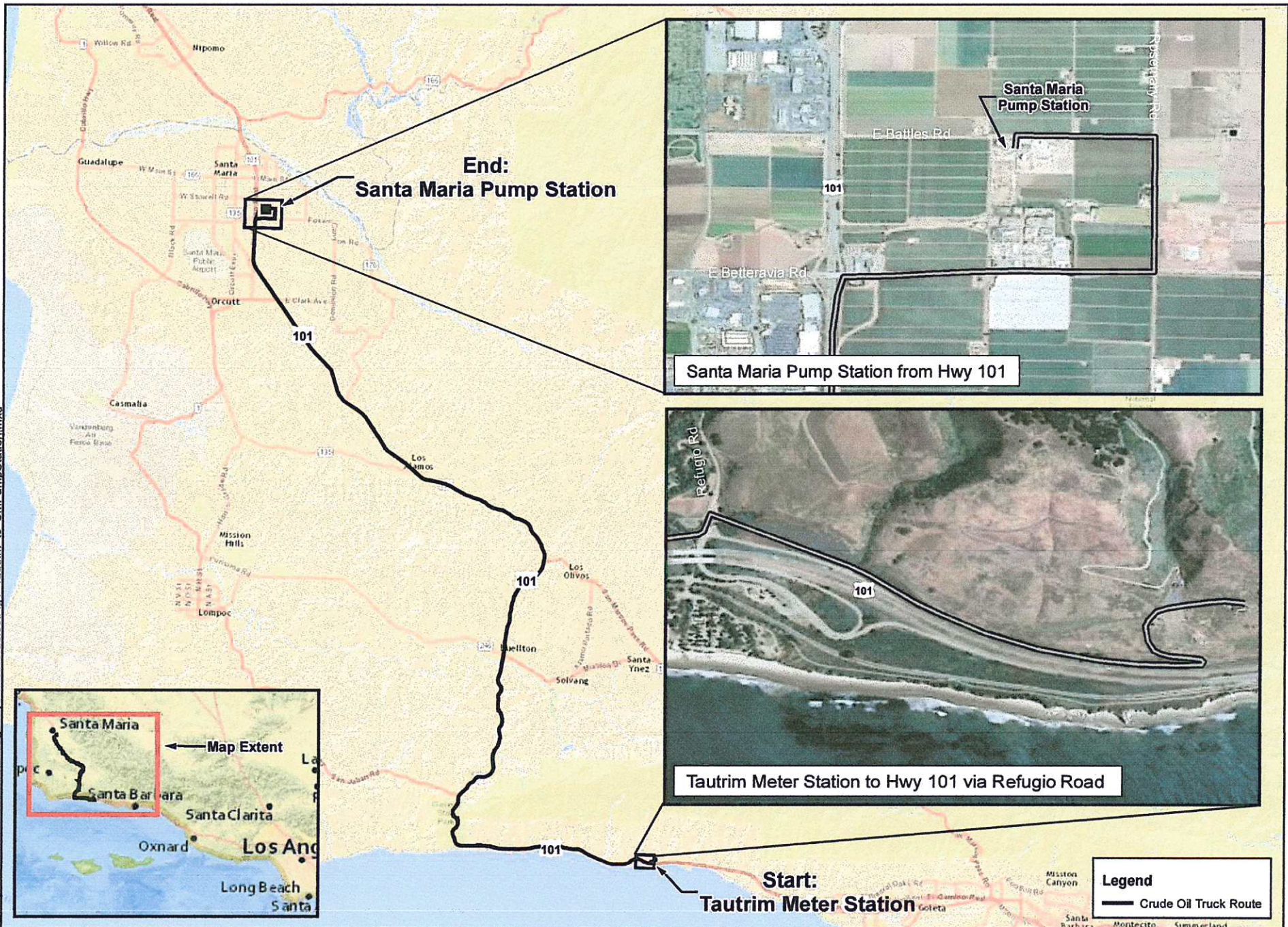
10. **Abandonment.** This permit to de-inventory Line 96 does not remove Venoco's obligations to purge, clean and abandon Line 96 pursuant to State and County regulations and requirements.

Attachments:

- A. Regional Map with Proposed Truck Route
- B. Site Plan with Traffic Control Measures
- C. Notice of Exemption

cc: Supervisor Hartmann, Third District
Commissioner St. John, Third District
Dianne Black, P&D Assistant Director
Coastal Program Analyst, Calif. Coastal Comm., 89 S. California Street, Ventura CA 93001
Carly Barham, APCD
Joseph Dargel, P&D Planner

V:\Projects\GIS_Proj\Venoco\deliverables\Trucking Project\deliverables\Fig1_Tautrim to SMPumpStation.mxd



Venoco, Inc.
Line 96 De-Inventory Project

AECOM

0 3 6 12 Miles

March 2017

1 in = 6 miles

Figure 1. Proposed Truck Route - Tautrim Meter Station to Santa Maria Pump Station

Source: [1] World Street Map Imagery, ESRI, 2016.
[2] Bing Aerial Imagery Service, 12/11/2013.

Attachment B

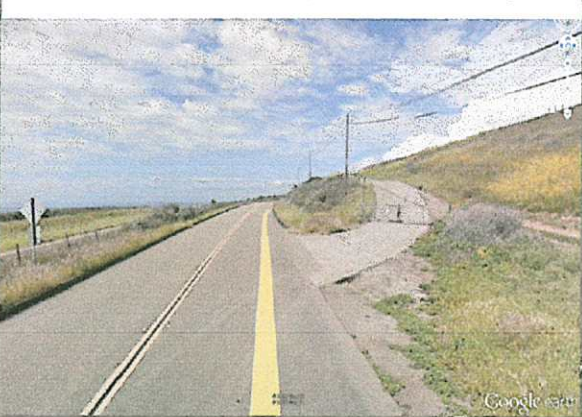
Venoco Line 96 De-Inventory Project Traffic Control Plan for Crude Oil Truck Entry and Exit to Calle Real at the Tautrim Property

Line 96 Tautrim Valve and Truck Loading Area

Crude Oil Truck Route
Empty trucks approach Tautrim property from Calle Real via El Capitan exit (approx. 1.6 miles east of the Tautrim access road). Loaded trucks will exit Tautrim property loading area to Calle Real and continue westbound to the Refugio Road/Hwy 101 interchange (approx. 0.8 miles west of the Tautrim access road)

Traffic Safety Controls at Tautrim Property Calle Real entry/exit
- Traffic safety signage and flagger at point of entry onto Calle Real
- Turning movements controlled per Figures 6H-6 and 6H-14(CA) of California Manual on Uniform Traffic Control Devices (2014) (attached)
- No surface street staging or activity

Tautrim property access road entry/egress at Calle Real, looking west



Tautrim property access road entry/egress at Calle Real

Calle Real

Flaggers 100 feet from entrance

El Camino Real

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Google earth