



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning and
Development
Department No.: 053
For Agenda Of: March 24, 2015
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Glenn Russell, Ph.D. Director, (805) 568-2085
Director(s)
Contact Info: Kevin Drude, Deputy Director, (805) 568-2519
SUBJECT: Pacific Coast Energy Company Seep Can #96 Emergency Permit
15EMP-00000-00003; Fourth Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: No

Recommended Actions:

That the Board of Supervisors:

1. Receive and file this report on Emergency Permit 15EMP-00000-00003, which authorized the placement of a seep can used to prevent the seepage of petroleum fluids from impacting the environment on the subject property (Assessor Parcel number 101-020-074). A copy of the Emergency Permit is included herein as Attachment A.
2. Determine that issuance of the Emergency Permit is exempt from the California Environmental Quality Act (CEQA) pursuant CEQA Guideline section 15269(c), as this action was necessary to prevent or mitigate an emergency.
3. Determine that receiving and filing this report is not a project pursuant to CEQA Guideline section 15378(b)(5), as it is an administrative government activity that will not result in direct or indirect physical changes in the environment.

Background:

The Pacific Coast Energy Company (PCEC) currently operates 96 oil wells on the project site using cyclic steam injection to extract oil from the Diatomite Formation. PCEC also operates an oil & gas processing/separation facility with ancillary equipment, and steam and oil pipelines under an existing Oil Drilling and Production Plan (ODPP), County Case Number 05PPP-00000-00001.

Auditor-Controller Concurrence

As to form: N/A

The project site has historically had many oil seeps. The shallow geologic unit known as the Careaga Sandstone, which overlies the Diatomite Formation at the project site, sometimes contains a considerable amount of heavy oil, and it is this oil which can create seeps that reach the ground surface. Per California and Santa Barbara County requirements, PCEC is required to immediately respond to any such seeps, to control and contain the flow of oil on the ground, and to remove and dispose of all discharged material. To control seeps, a “seep can” and associated French drains are typically installed.

A seep can is a corrugated metal pipe approximately 24 inches in diameter that is inserted into the ground to collect the seeping oil. Oil that accumulates in the seep can is either periodically pumped out with a vacuum truck or is transported to an existing producing well. Installing the seep can collection system prevents oil seepage from flowing on the ground surface, potentially impacting sensitive resources. Oil seeps that are not contained can develop into oil spills which can result in both immediate and long term environmental damage. A total of 96 seep cans were installed onsite between 2008 and present. All seep cans have been authorized by Emergency Permits as reported to your Board on October 8, 2013, February 11, 2014, April 22, 2014, March 10, 2015, and today. Approximately 51 of the 96 seep cans are actively collecting oil. The last seep can (can no. 95), was installed on January 26, 2015, marking a reduction in the frequency of new seeps compared to the 2008-2013 time period when PCEC first began their steaming operation and seeps were occurring more frequently. Since that time, PCEC, with oversight by the California Division of Oil, Gas, and Geothermal Resources (DOGGR), has developed field practices which have led to a reduction in the frequency of seep occurrences. Further, in order to promote early detection of future seeps, PCEC has in place an electronic ground monitoring system and conducts frequent inspections of the project area. A map of all existing seep can locations is included in Attachment B.

Summary Text:

Section 35.82.090 of the Land Use and Development Code (LUDC) authorizes the Director of the Planning and Development Department (P&D) to temporarily defer standard permit requirements of the Land Use and Development Code and issue an Emergency Permit when emergency action is warranted. Section 35.82.090.I of the LUDC requires the Director to submit a written report describing the emergency action to the Board of Supervisors after issuing an Emergency Permit.

On February 23, 2015, PCEC discovered an oil seep at its Orcutt Hill property. P&D gave verbal and email authorization to PCEC on February 24, 2015 to immediately install a seep can to contain and remove the seeping oil, pursuant to LUDC Section 35.82.090.C. Seep can #96 was installed to capture the seeping oil on February 23, 2015. A map of the seep can location is included in Attachment C. An Emergency Permit application for the seep can was filed on March 3, 2015. P&D formally issued the subject Emergency Permit to PCEC on March 10, 2015. An Emergency Permit does not constitute an entitlement for the purposes of permitting, and Section 35.82.090.G of the LUDC requires approval of the normally required permit. In this case, the seep can would be included in PCEC’s Oil Drilling and Production Plan which would also act to permit expansion of oil production at PCEC’s property in the Orcutt State Designated Oil Field (13PPP-00000-00001). P&D is currently processing this request.

Issuing this Emergency Permit is consistent with the Comprehensive Plan and the LUDC, as the action provides an immediate response to abate an uncontrolled release of oil into the environment. Issuing the Emergency Permit is also consistent with Section 25-2 of the Petroleum Code, which requires protection of the health, safety, public welfare, physical environment and natural resources of the County by

reasonable regulation of onshore petroleum facilities and operations. P&D granted the Emergency Permit with the issuance of a categorical exemption (CEQA Guidelines Section 15269(c)). A copy of the CEQA Exemption is included herein as Attachment D.

Pursuant to LUDC Section 35.106.070.A, notice was mailed to surrounding property owners upon P&D's receipt of the Emergency Permit application from PCEC. Additionally a notice was posted on the subject parcel. No public comments have been received to date.

Fiscal and Facilities Impacts:

The estimated total cost to process this Emergency Permit is approximately \$4,000. These fees are budgeted under the Energy & Minerals Division Permitting Program on page D-212 of the 2014/2015 fiscal year budget. All costs incurred from this action are borne completely by the applicant.

Attachments:

Attachment A: Emergency Permit 15EMP-00000-00003

Attachment B: Map – All Seep Can Locations

Attachment C: Map – Location Seep Can #96

Attachment D: CEQA Exemption

Authored by:

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