

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

**Agenda Number:**  
**Prepared on:** August 22, 2002  
**Department:** Planning and Development  
**Department No.:** 053  
**Agenda Date:** September 10, 2002  
**Placement:** Departmental  
**Estimate Time:** 0.5 hours  
**Continued Item:** NO  
**If Yes, date from:**  
**Document FileName:** F:\GROUP\ENERGY\WP\NORTH\TOR  
CH\TRANQULN\Appeal\logproducedw  
aterBOSrpt.DOC

---

**TO:** Board of Supervisors

**FROM:** Steve Chase, Deputy Director  
Planning and Development, Energy Division

**STAFF CONTACT:** Alice McCurdy, Energy Specialist (568-2542)  
Joddi Leipner, Planner III (568-2514)

**SUBJECT:** Appeal of the Lompoc Oil and Gas Produced Water Treatment  
Upgrade and Expansion, Planning and Development Case Number  
94-DP-027 RV04

---

## **Recommendation(s):**

That the Board of Supervisors consider the appeal of Jennifer Foster, agent for the Applicant Nuevo Energy Company and uphold the Planning Commission's action to approve the Lompoc Oil and Gas (LOGP) Produced Water Treatment Upgrade and Expansion (94-DP-027 RV 04). Your Board's motions should include the following:

1. Adopt the required findings for the project specified in Attachment A of the June 20, 2002 Planning Commission staff report, including CEQA findings;
2. Certify the Environmental Impact Report (01-EIR-04) as modified by the June 20, 2002 Errata sheet for purposes of the LOGP Produced Water Treatment Upgrade and Expansion Project, and adopt the mitigation monitoring program contained in the conditions of approval (Attachment C of the June 20, 2002 Planning Commission staff report);
3. Deny the appeal; and
4. Uphold the Planning Commission's action to approve the LOGP Produced Water Treatment Upgrade and Expansion (94-DP-027 RV04).

### **Alignment with Board Strategic Plan:**

The recommendations are primarily aligned with actions required by law or by routine business necessity.

### **Executive Summary and Discussion:**

#### **I. Background on the Pt. Pedernales Project**

The original Union Oil Company Point Pedernales Oil and Gas Development Project (Case No. 85-DP-71) was approved by the Santa Barbara County Board of Supervisors in April of 1986 and has been in operation since 1987. In 1995 the Pt. Pedernales project was divided into three separate projects: Torch Pt. Pedernales (94-FDP-027), Unocap Pt. Pedernales (94-FDP-028) (now Tosco Pt. Pedernales); and Unocal Pt. Pedernales (94-DP-029) (Battles Gas Processing Plant). The Tranquillion Ridge Project involves both the Torch and Tosco Pt. Pedernales projects.

The Pt. Pedernales project consists of the following major components (see Figure 1):

- An oil and gas drilling and production platform, Platform Irene, located on outer continental shelf (OCS) Lease P-0441;
- An oil dehydration and gas processing facility located 3 miles north of the City of Lompoc, known as the Lompoc Oil and Gas Plant (hereafter LOGP);
- Three pipelines, in one corridor, connecting Platform Irene with the LOGP: a 20-inch wet oil line, an 8-inch gas line, and an 8-inch produced water return line for discharge at the platform. The pipelines reach landfall just north of the Santa Ynez River and cross Vandenberg Air Force Base, State of California land and Nuevo fee property;
- A power supply system consisting of an electrical substation located on Southern Pacific Railroad property at Surf, a subsea power cable from the substation to Platform Irene, and an upgraded transmission line from the Pacific Gas and Electric power line north of Lompoc to the substation; and
- A 12-inch sales gas pipeline from LOGP to Righetti Valve Box and a 6-inch sales gas pipeline from Righetti Valve Box to Southern California Gas Company (SCGC) gas transmission line #1010.

Currently, the Point Pedernales Project is permitted to operate under the following FDP production/processing capacities: 36,000 barrels per day (BPD) of dry oil; 15 million standard cubic feet per day (MMSCFD) of natural gas with a maximum hydrogen sulfide (H<sub>2</sub>S) concentration level of 8,000 parts per million (ppm)<sup>1</sup>; 9.205 MMSCFD of onshore gas reinjection (only during upset conditions); and a monthly average of 2.3 liquefied petroleum gas/natural gas liquids (LPG/NGL) truck trips per day. The subject oil volume is permitted to be produced from the Point Pedernales Field, leases OCS-P 0441, -P 0437, -P 0438 and -P 0440. The subject gas volume is permitted to be produced from the Point

---

<sup>1</sup> The land use permit for the H<sub>2</sub>S increase from 4,000 ppm to 8,000 ppm was issued on June 12, 2002.

Pedernales Field leases OCS-P 0441, -P 0437, -P 0438, -P 0440, and from the Lompoc onshore fields.

Oil from the Pt. Pedernales project is currently produced as an oil/water emulsion. The emulsion is currently composed of approximately 90 percent water and 10 percent oil. Nuevo has an approved Individual National Pollutant Discharge Elimination System (“NPDES”) permit that allows for ocean discharge of the produced water. However, the existing treatment facilities at the LOGP cannot handle the volume of water and cannot treat the water to the applicable NPDES standards. Therefore, the water is currently disposed of by injecting into deep formations both onshore in the Lompoc field and offshore at Platform Irene.

## **II. Proposed LOGP Produced Water Treatment Plant Upgrade and Expansion**

### **A. Project Description**

The proposed project involves modifications to the LOGP to upgrade the existing produced water treatment facilities. The upgrades would allow for a larger volume of water to be treated to a higher quality, and would allow for ocean disposal of a portion of the produced water.

The existing produced water treatment system would be upgraded with new water treatment equipment in order to sufficiently process approximately 60,000 bpd of produced water. Of this amount, approximately 40,000 barrels would be shipped offshore for disposal at the platform’s outfall. Approximately 20,000 barrels would be injected into the Lompoc Oil Field for disposal. The upgraded water treatment facilities would have a maximum design rate of 85,000 bpd.

To conduct offshore water disposal activities, the Applicant would replace three existing 125-horsepower pumps with three new 600-horsepower electric pumps (two units would be operational and one unit would be on standby) to pump approximately 40,000 barrels of produced water per day through the 8-inch pipeline from the LOGP to Platform Irene. Also, the Applicant would install suction and discharge piping from the new pumps to the existing plant piping.

### **C. Planning Commission Hearing**

The Planning Commission considered the LOGP Produced Water Treatment Upgrade and Expansion Project at a special hearing on June 20, 2002. At that hearing the project was approved 4-0, with one commissioner absent. The Planning Commission Action Letter is included as Attachment D.

## **III. Appeal Issues and Responses**

### **A. Appeal Summary**

The applicant is not appealing the decision to approve the proposed project but is appealing the Planning Commission's certification of 01-EIR-04. This EIR addresses impacts of the proposed project as well as the Tranquillon Ridge Oil and Gas Development Project and the Sisquoc Pipeline Bi-Directional Flow Project. The applicant contends that the environmental baseline used to assess the Tranquillon Ridge Project is inaccurate and therefore the EIR is inadequate as an informational document. The applicant also contends that for the Tranquillon Ridge Project, had the EIR used the Pt. Pedernales permitted operating levels as the environmental baseline, the EIR findings and mitigation measures would have been significantly different.

**B. Discussion**

The applicant is not appealing the project approval but is appealing the certification of the EIR with respect to its use on the Tranquillon Ridge application. However, the proposed LOGP Produced Water Treatment Project was analyzed in the same EIR, and the County cannot issue an approval of the project without a CEQA document and without CEQA findings. The EIR findings made for the LOGP Produced Water Treatment Project (included in Attachment A of the June 20 Planning Commission Staff Report [Attachment C of this Board letter]) were specific to this project. Because the action to adopt the findings and certify the EIR were only made in the context of this project they only apply to LOGP Produced Water Treatment Project. Appropriate CEQA findings and certification of the EIR for purposes of the Tranquillon Ridge Project would need to be made in the context of a decision maker action specifically on that project. Issues related to Nuevo's objections regarding certification of the EIR for the Tranquillon Ridge Project are discussed as a part of the Board appeal staff report for that project. Therefore, staff recommends that the Board uphold the Planning Commission's action to approve the LOGP Produced Water Treatment Upgrade and Expansion Project and certify 01-EIR-04.

**Mandates and Service Levels:**

The appeal was filed pursuant to Section 25-327.3 of Article III of Chapter 35 of the County Code, which states that the decisions of the Planning Commission may be appealed to the Board Supervisors within 10 days after the Planning Commission's action.

**Fiscal and Facilities Impacts:**

A \$2000.00 filing fee is required and was submitted in support of the applicant's appeal of Planning Commission decision.

**Special Instructions:**

The Clerk of the Board shall complete legal noticing for the project in the following newspapers of general circulation in the County of Santa Barbara: Santa Barbara News

Press, Lompoc Record, and Santa Maria Times. Noticing shall occur at least ten (10) days prior to the hearing. The Clerk of the Board shall prepare a typed final hearing notice for Planning and Development's distribution. Planning and Development shall provide publishing of a display notice of at least one-eighth page for the project in the following newspapers of general circulation in the County of Santa Barbara: Santa Barbara News Press, Lompoc Record, and Santa Maria Times. Noticing shall occur ten (10) days prior to the hearing.

The Clerk of the Board shall forward a copy of the Minute Order to Planning and Development Hearing Support, Attention: Cintia Mendoza.

Planning and Development will prepare all final action letters and otherwise notify all concerned parties of the Board of Supervisor's final action.

**Concurrence:**

N/A

Attachments (Board of Supervisor's Distribution only):

- A. Applicant's July 1, 2002 Appeal Letter
- B. 01-EIR-04 and June 20, 2002 Errata Sheet
- C. Planning Commission staff report dated June 20, 2002
- D. Planning Commission action letter dated July 5, 2002
- E. Comment Letter

Attachment A  
Applicant's July 1, 2002 Appeal Letter  
(Board of Supervisor's Distribution Only)

Attachment B  
01-EIR-04

(Separately Bound, Board of Supervisor's Distribution Only)

Attachment C  
June 20, 2002 Planning Commission Staff Report  
(Board of Supervisor's Distribution Only)



Attachment D  
Planning Commission Action Letter  
(Board of Supervisor's Distribution Only)