



EMERGENCY PERMIT

12EMP-00000-00006

- Countywide:**
Subject to the requirements of Section 35.82.090 of the Santa Barbara County Land Use & Development Code.
- Montecito:**
Subject to the requirements of Section 35.472.080 of the Santa Barbara County Montecito Land Use & Development Code

Case Name: Pacific Coast Energy Company Emergency Permit for 1
Seep Can No. 81

Case Number: 12EMP-00000-00006

Site Address: 1555 Orcutt Hill Road

APN: 101-020-074

Applicant/Agent Name: John Fox, Pacific Coast Energy Company

Owner Name: Pacific Coast Energy Company (PCEC)

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

Energy Division
123 E. Anapamu Street
Santa Barbara, CA 93101
(805) 568-2040

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

**ZONING PERMIT
ISSUED**
SANTA BARBARA CO. PLANNING & DEVELOPMENT

PERMIT APPROVAL:

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

On August 29, 2012, Pacific Coast Energy Company (PCEC) removed soil containing oil and installed seep can no. 81 to control and contain the seep oil that was discovered near its oil and gas operation on Orcutt Hill on August 24, 2012. The seep is located south of the Diatomite pod 6 approximately 90 feet from the roadway. Grading consisted of 30 cubic yards of cut and 30 cubic yards of fill. Total area disturbed by grading was approximately 1,400 square feet.

Oil seeps that are not contained can develop into larger oil spills which can result in both immediate and long-term damage to sensitive biological resources and surface/groundwater quality.

Therefore, this situation constitutes an emergency in accordance with the applicable Development Code 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 Department upon verification that all conditions of approval requiring action prior to permit issuance are satisfied.

Sincerely,



GLENN RUSSELL, PH.D.
Director

APPROVAL DATE: Sept 4, 2013

BACKGROUND:

PCEC discovered an oil seep on August 24, 2012 in a location south of Diatomite pod 6 about 90 feet from the roadway. In response, PCEC removed vegetation and impacted soil in order to provide access to the site, and control and contain the seep as required by the California Code of Regulations, Title 14, Sections 1722 and 1779, the letter dated June 9, 2012, to PCEC's agent from District Deputy Pat Abel of the California Division of Oil, Gas, and Geothermal Resources (DOGGR), Section 25.37 of Chapter 25 of the Santa Barbara County Code, and Condition 11 of PCEC's Oil Drilling and Production Plan Permit (05PPP-00000-00001). In this case, PCEC successfully achieved control and containment of the seep by installing a seep can; PCEC installed seep can no. 81 on August 29, 2012. A seep can is a 24 inch diameter corrugated metal pipe approximately 15 feet in length inserted into the ground to collect the seeping oil.

Trees were avoided as part of this cleanup and containment effort. The contaminated soil was disposed of at PCEC's waste pile management facility on Orcutt Hill as part of standard clean-up operations. From there, the impacted soils are either used in the beneficial reuse program, pursuant to Regional Water Quality Control Board approvals, or disposed of at a permanent waste disposal site. The installation of the seep can collection system prevents the seepage fluids from impacting sensitive biological resources and surface/groundwater quality. The related oil and gas development on site was approved under 05PPP-00000-00001.

FINDINGS OF APPROVAL:

1. Pursuant to Subsection 35.82.090.E.2 of the County Land Use and Development Code, prior to the approval or conditional approval of an application for an Emergency Permit the Director shall first make all of the following findings:
 - a. An emergency exists and requires action more quickly than provided for by the customary procedures for permit processing.

On August 24, 2012, Pacific Coast Energy Company (PCEC) discovered an oil seep near its oil and gas operation. PCEC notified the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) and the Santa Barbara County Planning and Development Department of the discovery. Both governmental agencies determined that quick control and containment of the seep was necessary to comply with state and local regulations (see letter dated June 9, 2012, from District Deputy Pat Abel of DOGGR and Section 25-37, Chapter 25 of the Santa Barbara County Code) and to minimize the potential to impact sensitive biological resources and surface/groundwater quality. Accordingly, the Planning and Development Department provided written authorization to PCEC via email to control and contain the seep and directed PCEC to apply for an emergency permit. On August 29, 2012, PCEC installed seep can no. 81 to achieve control and containment of the seep and removed contaminated soil. The department also directed PCEC to submit an application for an Oil Drilling and Production Plan, and that directive is restated herein as Condition 2. Therefore, this finding can be made.

ZONING PERMIT

ISSUED

- b. The action proposed is consistent with the policies of the Comprehensive Plan, including any applicable community or area plan and the requirements of this Development Code.

SANTA BARBARA CO. PLANNING & DEVELOPMENT

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

Land Use Element Policies

- Hillside and Watershed Policy 1: Plans for development shall minimize cut and fill operations. Plans requiring excessive cutting and filling may be denied if it is determined that the development could be carried out with less alteration of the natural terrain. *The installation of seep can no. 81 and removal of contaminated soil required 30 cubic yards of cut and 30 cubic yards of fill over a 1,400 square-foot area. This amount of cut and fill represented the minimal amount of cut and fill necessary to access the site of the seep, remove contaminated soils, and excavate a hole to install the seep can.*
- Hillside and Watershed Policy 2: All development shall be designed to fit the site topography, soils, geology, hydrology, and any other existing conditions and be oriented so that grading and other site preparation is kept to an absolute minimum. Natural features, landforms, and native vegetation, such as trees, shall be preserved to the maximum extent feasible. Areas of the site which are not suited to development because of known soil, geologic, flood, erosion or other hazards shall remain in open space. *The seep can is approximately 24 inches in diameter and less than 4 feet in height, and is located approximately 90 feet from the existing roadway on flat ground. The size and height represents the minimum required to adequately control the oil seep. No trees were removed and removal of vegetation minimized to the affected area and access to the area. Avoidance of the site in consideration of known soil, geologic, flood, erosions or other hazards was infeasible, because the location is dictated by an uncontrolled oil seep.*
- Hillside and Watershed Policy 5: Temporary vegetation, seeding, mulching, or other suitable stabilization method shall be used to protect soils subject to erosion that have been disturbed during grading or development. All cut and fill slopes shall be stabilized as rapidly as possible with planting of native grasses and shrubs, appropriate non-native plants, or with accepted landscaping. *Condition 11, herein, requires the permittee to acquire necessary grading and erosion-control permits from Santa Barbara County to prescribe suitable stabilization for protection of soils in the disturbed area. Per Condition 9, herein, special status plant species or sensitive habitat (maritime chaparral, dune scrub, wetland, riparian) removed shall be replaced at the ratio of 10:1. The applicable grading and erosion-control permits will prescribe other vegetation required.*
- Hillside and Watershed Policy 7: 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 purpose of this development is to control and contain a discovered oil seep so that it does not develop into a larger oil spill and damage sensitive biological resources and surface/groundwater quality.*
- Historical and Archaeological Sites Policy 2: When developments are proposed for parcels where archaeological or other cultural sites are located, project design shall be required which avoids impacts to such cultural sites if possible. *The action required removal of contaminated soil and installation of seep cans both within and outside of previously developed oil pad areas. The Mitigated Negative Declaration (06NGD-00000-00018) for the*

ZONING PERMIT

ISSUED

original development of the Orcutt Hill Diatomite Project indicated that the well-pad areas were surveyed for cultural resources, and no archaeological sites were identified as a result of those surveys. However, this seep may have occurred outside of these previously surveyed pad areas. Condition 12 requires that a Phase 1 Cultural Resources study be performed as part of the application completeness for the follow up Oil Drilling and Production Plan. If resources are identified, it would not be possible to avoid them due to the need to control and contain the seep. For this reason, the condition also requires that, in the event that cultural resources are identified in these areas, additional studies shall be completed in accordance with the County Cultural Resources Guidelines. These studies will be determined by Planning and Development and could include Phase 2 work to assess resource significance project effects, and Phase 3 mitigation of impacts to resources determined to be significant. Therefore, this finding can be made.

Conservation Element Policies

- Oak Tree Protection Policy 1: Native oak trees, native oak woodlands and native oak savannas shall be protected to the maximum extent feasible in the County's rural and/or agricultural lands. Regeneration of oak trees shall be encouraged. Because of the limited range and increasing scarcity of valley oak trees, valley oak woodlands and valley oak savanna, special priority shall be given to their protection and regeneration. *No oak trees have been removed or damaged as a result of the installation and operation of this seep can.*

The emergency action is consistent with the requirements of the Land Use and Development Code as described below with reference to applicable development standards:

- § 35-52.050.B.1.b. Setbacks. In addition to the well spacing and setback requirements of County Code Chapter 25 (Oil and Petroleum Wells), § 25-21 (Spacing, oil or gas drilling or related facilities shall not be allowed within 500 feet of an occupied residence within a residential or commercial zone. *The seep can and related access is not within 500 feet of a residential or commercial zone.*
- § 35-52.050.B.1.e. Grading. Grading and alteration of natural drainage patterns shall be minimized to preserve the natural contour of the lands. *Grading is minimized to a 1,400 square-foot area to remove contaminated soils, install/operate the seep can, and provide access to the location from the existing roadway approximately 90 feet away.*

Therefore, this finding can be made.

- c. Public comment on the proposed emergency action has been reviewed. *A notice to the public is not required to precede the actual commencement of emergency work, pursuant to §§ 35.82.090.E.1 and 35.106.070.A of the Santa Barbara County Land Use and Development Code. The following public noticing of an application for an Emergency Permit is required pursuant to § 35.106.070.A: (1) a notice shall be mailed to all residents within a 100-foot radius of the exterior boundaries of the affected boundary, and (2) the Department shall post a notice in three locations on the subject lot. Proof of required noticing being made is contained within the file for this application. No comments were received from the public with regard to this application. The public will have additional opportunity to comment on the actions permitted via this permit during the noticing and processing of required follow-up permits. Therefore, this finding can be made.*

2. This action is not subject to the provisions of the California Environmental Quality Act, pursuant to State CEQA Guidelines Section 15269(c), statutory exemption for emergency projects.

EMERGENCY PERMIT CONDITIONS OF APPROVAL

1. **EMP-01: Project Description.** 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:

PCEC cleared vegetation to gain access to a discovered oil seep, removed contaminated soil and installed seep can no. 81 on August 29, 2012 to control and contain the seep oil. The seep was found on August 24, 2012 south of the Diatomite pod 6 approximately 90 feet from the roadway. Grading consisted of 30 cubic yards of cut and 30 cubic yards of fill. Total area disturbed by grading was approximately 1,400 square feet. No trees were removed as part of this project; however, vegetation was removed along the access and at the site. Contaminated soil was disposed of at PCEC's waste pile management facility on Orcutt Hill as part of standard clean-up operations. From there, the impacted soils are either used in the beneficial reuse program or disposed of at a permanent waste disposal site.

2. An application(s) for the required permits necessary to validate the emergency work as permanent shall be submitted by the applicant to the Department no later than 30 days following the issuance of this Emergency Permit, pursuant to Section 35.82.090 of the County Land Use Development Code. The follow up permit required to validate the proposed emergency work submittal is an Oil Drilling and Production Plan, pursuant to Section 35.53.040.
3. Any materials required for a completed application, as identified in the initial review of the original application required pursuant to Condition no. 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.
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. The work authorized by this permit must be commenced within 30 days of the date of issuance of the emergency permit.
5. This permit does not preclude the necessity to obtain authorization and/or permits from other Departments or agencies.

ZONING PERMIT
ISSUED
SANTA BARBARA CO. PLANNING & DEVELOPMENT

ZONING PERMIT

ISSUED

6. The Director 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. **SPEC BIO-EMP-01.** A qualified biologist shall document the vegetation occurring within 50 feet of the work site, and provide an estimate of biological impacts resulting from the installation of the seep can and a description of the vegetation that was removed from to the site, including the access corridor to the site. This analysis shall be provided to Planning and Development, Energy & Minerals Division, in a letter report including a vicinity map and a site-specific map of vegetation at a 1 inch = 100 foot scale and an estimate of impacts. Vegetation terminology shall correspond to the Manual of California Vegetation (Sawyer, Keeler-Wolf and Evens, 2009). **PLAN REQUIREMENTS:** The Owner/Applicant shall submit the above report to P&D for review and approval. **TIMING:** The required letter report shall be submitted within 30 days of emergency permit approval.

8. **SPEC BIO-EMP-02.** The specific work site shall be monitored monthly for the first three months and quarterly thereafter for two years by a qualified biologist for early detection of invasive exotic species and to ensure these species do not spread or become prevalent at the site or in the vicinity. If invasive species are detected on the site, a plan for weed removal shall be prepared at the time detection is documented and submitted to P&D for approval. **TIMING:** Implementation of the approved weed removal plan shall occur within two weeks of approval. **MONITORING:** The Owner/Applicant shall demonstrate to P&D compliance monitoring staff that all required components of the approved plan are in place as required.

9. **SPEC BIO-EMP-03.** Consistent with mitigation measures 6 and 7 for 05PPP-00000-00001 any native trees or special status plant species or sensitive habitat (maritime chaparral, dune scrub, wetland, riparian) removed shall be replaced at the ratio of 10:1 as specified in the original conditions of approval. See 05PPP-00000-00001 for requirements, timing and monitoring provisions.

10. **SPEC BIO-EMP-04.** This emergency permit site is within the range of the California tiger salamander, a listed Endangered species under the authority of the federal Endangered Species Act of 1973 (as amended), and the California Endangered Species Act. The work site is approximately 2,300 feet from ORCU-12, which is a known breeding pond for California tiger salamander. The issuance of this permit does not relieve the permit-holder of any duties, obligations, or responsibilities under the federal or state Endangered Species Acts or any other law.

11. **SPEC GEO-EMP-01. Erosion and Sediment Control Plan.** Where required by Chapter 14 of the Santa Barbara County Code, an Erosion and Sediment Control Plan (ESCP) shall be implemented as part of the project. The Owner/Applicant shall submit ESCP using Best Management Practices (BMP) designed to stabilize the site, protect natural watercourses/creeks, prevent erosion, convey storm water runoff to existing drainage systems keeping contaminants and sediments onsite. The ESCP shall be a part of the Grading Plan submittal and will be reviewed for its technical merits by P&D. Information on Erosion Control requirements can be found on the County web site re: Grading Ordinance Chapter 14 (<http://sbcountyplanning.org/building/grading.cfm>) refer to Erosion and Sediment Control Plan Requirements. **PLAN REQUIREMENTS:** The ESCP shall be designed to address erosion, sediment and pollution control during all phases of development of the site until all

ZONING PERMIT
ISSUED

disturbed areas are permanently stabilized. **TIMING:** Owner/applicant shall submit required permit applications to the Planning and Development Department within 30 days of the granting of this emergency permit, and make all good faith efforts to acquire approval of necessary grading and erosion-control permits within 60 days of granting of this permit to fulfill requirements of Chapter 14 of the Santa Barbara County Code. **MONITORING:** P&D staff shall perform site inspections to monitor success of the ESCP's implementation. The permittee shall apply for any necessary grading and erosion-control permits that are required to implement the ESCP.

12. **SPEC CULRES-01 Phases 1, 2, and 3.** All ground disturbances shall be subject to a Phase 1 archaeological survey in compliance with the provisions of the County Archaeological Guidelines. If significant resources are encountered and potential impacts are unavoidable, the Owner/Applicant shall have a P&D approved archaeologist prepare and complete a Phase 2 subsurface testing program in coordination with P&D. If the Phase 2 program finds that one is warranted, the Owner/Applicant shall have a P&D approved archaeologist prepare and complete a Phase 3 data recovery excavation consistent with County Archaeological Guidelines. All work shall be funded by the Owner/ Applicant. **PLAN REQUIREMENTS:** The Owner/Applicant shall submit the above report(S) to P&D for review and approval. **TIMING:** Any required archaeological studies shall be submitted to P&D as a component of its follow-up Oil Drilling and Production Plan application. Notes and/or depictions of plan components shall be included on plans prior to issuance of grading/building permits. The Owner/Applicant shall install any required resource protection measures or carry out required recovery onsite prior to issuance of grading/building permits and pre-construction meeting. **MONITORING:** P&D planning staff shall receive study(s) for review and approval as a component of the applicant's submittal of a follow-up Oil Drilling and Production Plan application.
13. **SPEC ELECTRICAL-EMP-01.** All installation of electrical equipment shall be subject to approval of an Electrical Permit the Planning and Development Department, Building & Safety Division. **TIMING:** Owner/applicant shall submit required permit applications to the Planning and Development Department within 30 days of the granting of this emergency permit, and make all good faith efforts to acquire approval of necessary grading and erosion-control permits within 60 days of granting of this permit to fulfill requirements of Chapter 10 of the Santa Barbara County Code. **MONITORING:** P&D staff shall perform site inspections to monitor code compliance.
14. **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.

Attachments:

- A. Seep Can Location Map
- B. Letter Dated June 9, 2012, from District Deputy Pat Abel
- C. CEQA Notice of Exemption

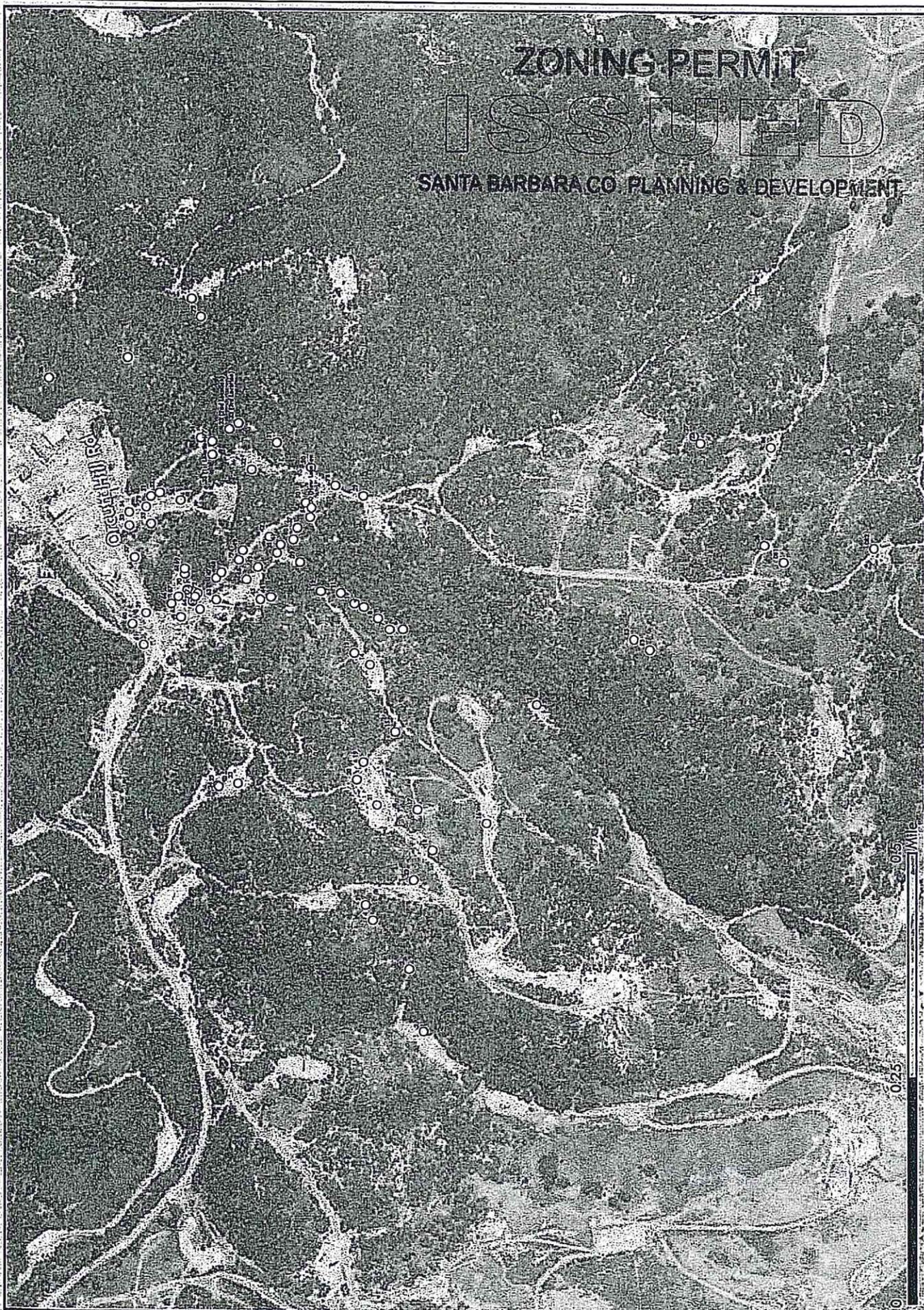
Attachment A

Seep Can Location Map

ZONING PERMIT
ISSUED
SANTA BARBARA CO. PLANNING & DEVELOPMENT

ZONING PERMIT ISSUED

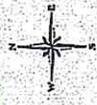
SANTA BARBARA CO. PLANNING & DEVELOPMENT



EXISTING SEEP CAN LOCATIONS
ORCUTT OILFIELD
ORCUTT HILL RESOURCE ENHANCEMENT PLAN

○ SEEP CAN LOCATION

PACIFIC COAST ENERGY COMPANY
ORCUTT OILFIELD
SANTA BARBARA COUNTY, CALIFORNIA



PREPARED BY SCS TRACER
FEBRUARY 2013
GCS, NAD 83
SOURCE USGS, CASI



Attachment B

Letter Dated June 9, 2012 from District Deputy Pat Abel

ZONING PERMIT
ISSUED
SANTA BARBARA CO. PLANNING & DEVELOPMENT



DEPARTMENT OF CONSERVATION

Managing California's Working Lands

Division of Oil, Gas, & Geothermal Resources

195 S. BROADWAY • SUITE 1015A, ORCUTT, CALIFORNIA 93465

PHONE 805 / 937-7246 • FAX 805 / 937-0673 • WEB SITE conservation.cc.gov

ZONING PERMIT
ISSUED

SANTA BARBARA CO. PLANNING & DEVELOPMENT

June 9, 2012

Brad Pierce, Agent
Pacific Coast Energy Co. LP
515 S. Flower St., Suite 4800, 48th Floor
Los Angeles, CA 90071

Cyclic Steaming Project
Orcutt Field
Main Area
Diatomite Pool

Dear Mr. Pierce:

The expansion of the project designated above is approved provided that all field operations pertaining to this project must conform to Division statutes and regulations referenced in the California Public Resources Code, Division 3, Chapters 1- 3 and 5 and the California Code of Regulations, Title 14, Division 2, Chapters 2 and 4, including any subsequent additions or amendments to those statutes and regulations. In addition, the Division's approval is strictly limited to injection operations conducted in accordance with the conditions specified by the Division. The conditions of approval of this injection project specified below may be subsequently modified by the Division in response to surface and well conditions.

Conditions of Approved Injection:

Prevention Conditions

1. Oil, steam, and/or water are prevented from flowing to the surface as a result of cyclic steaming operations, either through new or existing seeps, fissures, or other conduits associated with improperly cased and/or cemented wells.
2. A continuous tilt meter array, or other approved ground monitoring system shall be employed that will give adequate warning to prevent surface expressions.
3. Pacific Coast Energy Co. LP (PCEC) shall employ a continuous real-time well monitoring system with automatic alerts for abnormal conditions to give adequate warnings to prevent surface expressions. The Division may request, upon notice to PCEC, periodic updates on the performance of the monitoring system in relation to the prevention of surface expressions in the project area.
4. Pacific Coast Energy Co. LP (PCEC) can initiate injection into any well for cyclic steaming only upon completion of the automatic alert system of any upset or abnormal operation condition for that particular well. The Division may observe, upon notice to Pacific, that this automatic alert system is installed and operating properly.
5. Pacific Coast Energy Co., LP shall have staff on site to monitor operations 24-hours a day when cyclic steam operations are being conducted.
6. Injection-zone pressure, as determined by pressure monitoring during the soak portion of the cycle, does not exceed hydrostatic pressure in the general area affected by the project.
7. A report shall be submitted to the Division every quarter listing the injection anomalies, if any, that caused modifications to the injection activity. This report shall include ground monitoring data, casing integrity data, and any other data indicating the anomalies, and shall indicate what steps were taken to prevent surface expressions.

ZONING PERMIT ISSUED

SANTA BARBARA CO. PLANNING & DEVELOPMENT

8. The Division shall be notified of any anticipated changes in the project that will alter any conditions as originally approved, such as: expansion of the project area; a change of injection interval; a change in injection-fluid constituents; a significant increase in volume; or, an increase of injection pressure. No such changes shall be carried out without prior Division approval. Some changes, such as an expansion of the project, may result in a formal project revision.
9. The casing of any well used for cyclic steam injection must be pressure-tested prior to commencing injection and once every 5 years thereafter or as requested by the Division. The Division shall be notified of the scheduled tests, as a Division representative may witness the test.
10. A mechanical integrity test (MIT) must be conducted within 90 days of commencing cyclic steam injection and the results filed within thirty days of completion of the MIT. A MIT shall be performed on all cyclic steam wells at least once every 5 years or as requested by the Division. The Division shall be notified of the scheduled tests, as a Division representative may witness the test.
11. The maximum allowable injection-pressure gradient is limited to a pressure that prevents the steam from migrating out of the intended zone.
12. All injection piping, valves and facilities shall meet or exceed design standards for the maximum anticipated injection pressure and shall be maintained in a safe and leak-free condition.
13. Precautions are taken to prevent corrosion from occurring in meter runs, wellheads, wellhead valves, casing, tubing, and packers. This Division shall be furnished with a report detailing the measures to be taken to prevent corrosion.
14. To prevent the steam from migrating out of the intended zone of injection, the operator shall continuously monitor steam injection rates and pressures. If, over a 24 hour period, injection pressures show a variance of more than 15% or the injection rate shows a variance of more than 30%, the operator shall notify the Division and conduct a diagnosis within 12 hours, including but not limited to:
 - (1) Confirmation of data.
 - (2) Inspection of wells and facilities.
 - (3) Review of overall system operations.
 - (4) Evaluation of tilt meter and/or ground monitoring data.

Any abnormalities in the injection program shall be documented and made available to Division personnel upon request. If the diagnosis indicates that there is a threat of steam leaving the intended zone of injection, then the operator shall immediately terminate steam injection for wells with a bottom-hole location within 150 feet of the variance. The operator shall obtain written approval from the Division prior to resuming injection.

15. Daily visual inspection of wells, facilities, flow lines, and roads shall be made by the operator.

Operating Conditions

16. Any measure to address seeps or surface expressions shall be designed, and the construction supervised, by a registered civil engineer. This includes, but is not limited to cisterns, culverts, French drains or collection wells or boxes. Upon completion, all measures, including and not limited to cisterns, culverts, French drains and collection wells or boxes, shall be clearly marked with warning placards and clearly identified at the surface.
17. All measures to address seeps or surface expressions shall be mapped and the locations and type of measure utilized must be submitted to the Division upon completion.
18. The Division shall be notified to observe and document the installation of cisterns, culverts, French drains, collection wells or boxes, and other measures during the construction phase and upon completion.
19. Wells shut-in associated to surface expressions shall be prominently flagged at the wellhead.

ZONING PERMIT
ISSUED
SANTA BARBARA CO. PLANNING & DEVELOPMENT

Response Conditions

20. Any water, steam, or oil flowing from a seep or surface expression shall be immediately controlled and contained. All discharged material shall be removed and disposed of in a manner approved by all state and local agencies.
21. All seeps or surface expressions shall be cordoned off and clearly marked to prevent inadvertent access.
22. Air sampling of any emissions, associated to a recent surface expression, shall be done in accordance to the local air board requirements to ensure a health hazard condition does not exist.
23. All surface expressions and seeps within 300 feet of the project must be reported immediately to the Division. This includes reactivation of historic seeps, or increased flow from existing seeps. Steam injection shall be suspended for every well where the bottom-hole location is located within a 150 foot radius from the surface expression until such time that PCEC can demonstrate to the District office that such wells do not have an adverse impact on the surface expression. If the surface expression continues to flow after 5 days, all wells within a 300 foot radius shall cease steaming until the surface expression ceases to active. Wells may be returned to cyclic steaming operations at such time that PCEC demonstrates to the District office that such wells do not have an adverse impact on the surface expression. If the surface expression continues to be active, the damage will be evaluated at the Supervisor's discretion, and will be addressed according to Section 3106 of the Public Resources Code and existing laws and regulations.
24. Prior to re-initiating cyclic steaming within a 150 foot radius of a surface expression, PCEC shall make a presentation to the District office detailing the results of the investigation into the cause of the surface expression, including all data pertinent to the determination of the cause and identification of the relevant well(s). The presentation shall include all the steps PCEC will implement to prevent occurrence of a further surface expression. PCEC may re-initiate cyclic steaming operations in the area of the surface expression upon written approval from the District office
25. Any well to which cyclic steaming has been suspended to prevent or stop surface expressions must be reported to the District office within 24 hours of taking the well out of cyclic steaming. In addition, any well within the project area of PCEC that develops mechanical integrity issues that would potentially provide a conduit outside the intended zone, shall be reported to the District office immediately. Injection within 150 feet of the well with mechanical integrity issues shall be suspended until the well is either repaired or plugged and abandoned, or until PCEC has demonstrated to the District office that the surrounding well(s) will not adversely impact the compromised well. Cyclic steaming shall not recommence in the area until written approval is granted by the Division.

General Conditions

26. A Notice shall be submitted to the Division whenever wells are going to be added, or when wells are to be reworked or plugged and abandoned. The mechanical conditions of immediately offsetting wells to the proposed cyclic steam well shall be evaluated and any mechanical issues addressed prior to commencing steam injection. This information must be submitted with the notice.
27. A monthly injection report is filed with the Division on Form OG110B, or by electronic or magnetic media approved by the Division, on or before the last day of each month, for the preceding month, showing the amount of fluid injected, the surface pressure required, and the source of injection water for each injection well.
28. All production, from methods not associated with a well, shall be reported to the Division on a monthly basis.
29. A chemical analysis of the fluid to be injected is made and filed with this Division initially and whenever the source of cyclic steam injection fluid is changed, or as requested by the office. **ALL FLUIDS MUST CONFORM TO THE DEFINITION OF A CLASS II FLUID AS DEFINED BY THE EPA.**

Page | 4
Diatomite Cyclic Steam Project
Pacific Coast Energy Co. LP
June 9, 2012

ZONING PERMIT ISSUED

SANTA BARBARA CO. PLANNING & DEVELOPMENT

30. All fluid sampling and analysis required by the Division must be done in accordance with the provisions of the Division's Quality Assurance Program. Please refer to the Division's "Notice to Oil & Gas Operators" dated November 17, 1986 (copy attached).
31. An accurate operating pressure gauge or pressure-recording device is available at all times during cyclic steaming operations, and all cyclic steam wells are equipped for installation and operation of such a gauge or device. Any gauge or device permanently affixed to the well, or any part of the injection system, must be calibrated at least every six months. Portable gauges must be calibrated at least every two months. Evidence of such calibration must be made available to the Division upon request.
32. Data are maintained to establish that no damage to life, health, property, or natural resources is occurring by reason of the project. Injection shall be stopped if there is evidence of such damage, or loss of hydrocarbons, or upon written notice from the Division. Project data must be available for periodic inspection by Division representatives. Additional data shall be supplied to the Division upon request.
33. Any remedial well work needed as a result of this cyclic steam injection project to repair idle, abandoned, or deeper-zone wells to protect oil, gas, or freshwater zones, will be the responsibility of the project operator.
34. The Division is notified immediately if there is a new or re-activated seep or surface expression, if the project is terminated, or if problems occur with operation of the project.
35. All new or reactivated seeps or surface expressions that discharge oil in a reportable quantity shall be reported as an oil spill to the California Emergency Management Agency at (800) 852-7550.
36. An annual project review meeting is held with Division personnel. Information which may be discussed and reviewed include: (1) project & individual well cyclic steam graphs; (2) graphs/statistics outlining the incremental oil production from enhanced oil recovery; (3) Project expansion plans including facilities, new wells & reworks; (4) Recent fluid analysis; (5) Any problems, complaints, or other aspects of the project.

The issuance of this revised injection approval letter does not relieve you of your obligation to obtain necessary permits and approvals from local, state, and federal agencies.

Sincerely,



Patricia A. Abel
District Deputy

RB:pd

Attachment

cc: Regional Water Quality Control Board
Project File
Tom McCollum
Chrono

ZONING PERMIT

NOTICE OF EXEMPTION

ISSUED

TO: Santa Barbara County Clerk of the Board of Supervisors

FROM: Dean Dusette, Planning & Development SANTA BARBARA CO. PLANNING & DEVELOPMENT

The project or activity identified below is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

APN: 101-020-074

Case Nos.: 12EMP-00000-00006; 12EMP-00000-00008; 12EMP-00000-00009; 12EMP-00000-00012; 13EMP-00000-00001; 13EMP-00000-00002; 13EMP-00000-00003

Location: Pacific Coast Energy Company (PCEC) Orcutt Oil Field, 1555 Orcutt Hill Road, Orcutt

Project Title: PCEC Seep Cans Emergency Permits

Project Applicant: Pacific Coast Energy Company (PCEC) Orcutt Oil Field

Project Description: Installation of 85 seep cans to prevent the seepage of fluids from existing oil and gas wells from impacting the environment.¹ The existing wells are permitted under an existing Oil Drilling and Production Plan for oil/gas development onsite that was approved in 2006. Since 2008, PCEC has discovered 86 oil seeps. Although oil seeps occur naturally in this area, the California Department of Conservation Division of Oil, Gas and Geothermal Resources (DOGGR) has determined these seeps to be enhanced by cyclic-steaming operations in the vicinity. DOGGR required remedial actions to reduce the occurrence of seeps and to control and contain the seeps that have occurred. This protocol includes installation of seep cans. A seep can is a corrugated metal pipe approximately 15 feet in length and 24 inches in diameter that is inserted into the ground to collect the seeping oil. Some seep cans include a French Drain system to direct oil flow to the can. Oil that accumulates in the seep cans is either periodically pumped out with vacuum trucks, flows by gravity via a flow line to an existing producing well, or is connected to a pump and flow line to an existing producing well. Installing the seep can collection system controls and contains the seeps to minimize potential impacts to sensitive biological resources and surface/groundwater quality.

Name of Public Agency Approving Project: County of Santa Barbara

Name of Person or Agency Carrying Out Project: John Fox, PCEC

Exempt Status: (Check one)

- Ministerial
- Statutory Exemption
- Categorical Exemption
- Emergency Project
- Declared Emergency

¹ The seep cans installed are numbered 1 through 86; however, the seep to which seep can no. 80 was assigned stopped flowing after cleanup and a can was never installed. Therefore, there is a total of 85 seep cans with the last one carrying the number 86.

Cite specific CEQA and/or CEQA Guideline Section: 15269(c) – Emergency Projects, specific actions necessary to prevent or mitigate and emergency.

Reasons to support exemption findings: This section allows for emergency actions necessary to prevent or mitigate an emergency, in this case, control and contain oil seepage in order to minimize impacts to sensitive biological resources and surface/groundwater quality.

Lead Agency Contact Person: Doug Anthony

Phone #: 805-568-2513 Department/Division Representative: Kevin Drude

Date: September 3, 2013

Acceptance Date: 9-4-13

Distribution: Hearing Support Staff
Project file

Date Filed by County Clerk: 9-4-13

ZONING PERMIT
ISSUED
SANTA BARBARA CO. PLANNING & DEVELOPMENT