



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: CEO  
Department No.: 012  
For Agenda Of: May 13, 2008  
Placement: Departmental  
Estimated Tme: 1 Hour  
Continued Item: Yes  
If Yes, date from: File No.: 07-01220  
Vote Required:

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**TO:** Board of Supervisors  
**FROM:** Department Michael F. Brown, County Executive Officer  
Director:  
Contact Info: John Baker, Assistant CEO, 568-2243

**SUBJECT: Onshore Oil Facilities Update**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:**

As to form: N/A

**Recommended Actions:**

- 1) That the Board of Supervisors on May 13, 2008 receive a staff report on the status of the onshore facilities program. and
- 2) Receive an update on the five recommendations concerning potential new ordinances and staff practices adopted by the Board of Supervisors on January 15, 2008.

**Summary Text:**

- 1) ***Onshore Facility*** Onshore Facility Inspection and Spill Reports – Since January 15, 2008, the onshore inspection team, consisting of County Fire Prevention Division and the Petroleum Unit, have inspected eighteen (18) onshore facilities owned and operated by Greka Energy, three (3) facilities owned and operated by Richards Oil, two (2) facilities owned and operated by PXP and four (4) of eight (8) facilities owned and operated by Beitburn Energy. As of this date, the inspection team has identified 1181 deficiencies at eighteen (18) Greka Energy Facilities initially requiring the shut down of five (5) facilities; forty nine (49) deficiencies at the Richards Oil facilities with no requirement for shut down; zero (0) deficiencies at the PXP facilities; and 83 deficiencies at the four (4) Breitburn facilities with no requirement for shutdown. Out of the eighteen (18) Greka Energy facilities inspected, three remain shutdown, eleven (11) are in active operation (the Bell facility re-started on 4/9/2008), and three (3) facilities are idle. The two Richards Oil facilities are currently in active operation. PXP has one (1) facility in active operation and one (1) idle facility. The four (4) Breitburn facilities inspected are in active operation. Since January 15th, 48 spills have been reported; 41 of which occurred at Greka Energy facilities; 3 at the Breitburn facilities; and 1 each at Santa Maria Pacific, Shell, Richards Oil, and PXP. The amount spilled for each of these occurrences totals 14,140 gallons.

(See Attachment A to this Board letter for a detailed schedule of facility inspections completed and scheduled and a listing of individual spill amounts).

2) ***Status of Prior Recommendations Approved by the Board*** – In order to deter the continued occurrences of deficiencies at onshore oil sites, to recover the increased and often excessive costs to the County’s citizens associated with such deficiencies, and to improve the efficiency and effectiveness of oversight activities countywide, the Board, at its January 15, 2008 meeting, approved five recommendations that had been presented by staff. The status of those recommendations is presented in Attachment B to this Board letter.

**Background:**

1) ***County Onshore Facility Inspection and Spill Reports –***

During each facility inspection, the Petroleum Unit and the Fire Department visually inspect the entire facility for violations of all applicable codes which range in coverage from minor maintenance corrective items to imminent life, limb and property safety items. After each facility inspection is complete, the inspection team coordinates inspection items and determines if the facility is fit for service. Depending on the severity and number of correction items the facility may be shut down. If there are only a few immediate safety items, all or portions of the facility may be allowed to remain in operation. However, one severe safety item can be cause for shutting down an entire facility.

Routine maintenance items such as maintaining proper labeling of tanks, proper vegetation clearing, current pressure tests on relief valves, secondary containment berms and leaking seals, although require attention and correction are not immediate safety items and are granted 30 days to complete. However, immediate safety issues basically fall into two categories:

- Immediate, eminent threat to life, limb or property. This could be an uncontrolled gas leak or a facility that has more fluids coming in than it can store or process. As examples, either one of these situations would be cause for immediate shutdown of the entire facility.
- Potential threat to life, limb or property. This could be a valve, pipeline or tank that is leaking and/or showing signs of potential failure. Any of these would result in the valve, pipe or tank and any pertinent equipment being shut down. Other code violations such as, missing pulley covers, electrical extension cords used for permanent wiring, open electrical boxes and/or panels or missing fire extinguishers need to be addressed right away. Specific timelines could range from 1-10 days depending on the specific safety issue. As the examples above may not individually be cause for shutting down a facility, the accumulation of a number of items may pose too great a safety risk to allow the facility to remain in operation.

Since January 15, 2008, the onshore inspection team, consisting of County Fire Prevention Division and the Petroleum Unit, have inspected eighteen (18) onshore facilities owned and operated by Greka Energy, three (3) facilities owned and operated by Richards Oil, two (2) facilities owned and operated by PXP and four (4) of eight (8) facilities owned and operated by Beitburn Energy. As of this date, the inspection team has identified 1181 deficiencies at eighteen (18) Greka Energy Facilities initially requiring the shut down of five (5) facilities; forty nine (49) deficiencies at the Richards Oil facilities with no requirement for shut down; zero (0) deficiencies at the PXP facilities;

and 83 deficiencies at the four (4) Breitburn facilities with no requirement for shutdown. Out of the eighteen (18) Greka Energy facilities inspected, three remain shutdown, eleven (11) are in active operation (the Bell facility re-started on 4/9/2008), and three (3) facilities are idle. The two Richards Oil facilities are currently in active operation. PXP has one (1) facility in active operation and one (1) idle facility. The four (4) Breitburn facilities inspected are in active operation. Since January 15th, 48 spills have been reported; 41 of which occurred at Greka Energy facilities; 3 at the Breitburn facilities; and 1 each at Santa Maria Pacific, Shell, Richards Oil, and PXP. The amount spilled for each of these occurrences totals 14,140 gallons.

Starting March 5, 2008, the on shore inspection team began to perform re-inspections of the facilities. As of May 1, 2008, the team has performed twenty three (23) re-inspections of eleven (11) Greka facilities. To date, Greka has corrected 243 deficiencies; however, ten of the eleven facilities re-inspected still have deficiencies that are now past due. Since Greka has not corrected all the deficiencies within the required timelines, the team has issued abatement violation notices against each of the ten (ten) facilities. If the corrections on each facility are not completed within the timelines as required by the abatement notices, the team will issue Notice of Violations on each facility not in compliance. The Notice of Violation will carry fines of \$100.00 per day per violation.

During the next sixty (60) days, the onshore inspection team will be inspecting approximately an additional fourteen (14) facilities. Notwithstanding, the inspection team will continue following up with previously inspected facilities, as requested by those operators or after correction deadlines have passed, to re-inspect the facility deficiencies identified from our initial inspections. The onshore inspection team is working closely with representatives of each operator on resolving the deficiencies in an effort to bring them into compliance with current County Fire and Petroleum Codes and allow any facility that has been put in a shutdown mode to resume operations as quickly and as safely as possible.

In addition to the current onshore facility inspections, County Fire and the Petroleum Unit continue to monitor, respond to and document all operators in the County of Santa Barbara.

## **2) *Outside Agency Reports* –**

- **Environmental Protection Agency:**

The U.S. EPA assumed responsibility for cleanup (federalized) at the Greka Bell Facility on April 1, 2008. A portion of the cleanup was completed by the end of April. The need for additional work at the facility was identified when seepage was discovered at an upper pond. (See Attachment C).

- **Air Pollution Control District:**

During the months of March and April, the APCD conducted 183 inspections and issued 32 Notices of Violation (NOVs). Of the total number of inspections 62 were conducted at oil and gas production and processing facilities, of which 21 inspections occurred at Greka facilities. Of the total NOVs issued, 17 were issued to oil and gas production and processing facilities, including 7 NOVs issued to Greka. APCD management staff continues to meet with Greka management staff on a regularly scheduled monthly basis to identify, track, prioritize, discuss, and resolve outstanding compliance and permitting issues.

▪ **Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR):**

*The following environmental inspections have been made in Santa Barbara County by DOGGR in Feb 1- April 15, 2008:*

<b>Operator</b>	<b>Field</b>	<b>Lease</b>
Chevron U.S.A. Inc.	Cat Canyon	Williams Holding, WH-F, Los Alamos
Greka Oil & Gas Inc.	Cat Canyon Santa Maria Valley Zaca	Williams Holding, Williams B Battles, Bettiga, North Orcutt, R.B. McFaddin Brown, Carranza, Chamberlin, Chamberlin B, Davis, Davis B, Davis C, Quati
Plains Exploration & Production Co. (PXP)	Lompoc	Eefson, Hill, Jesus Maria, Lompoc, Murphy, Orcutt Fee, Purisima, & Union Annex
Richards Oil Co.	Casmalia	Peshine, Tompkins
Sierra Resources Inc.	Casmalia	Soladino
Southern California Gas Co.	La Goleta Gas	Bishop, Chase & Bryce, Edwards, Goleta, Miller, More
Vaquero Energy Inc.	Careaga Canyon	Careaga

As noted in Attachment D, DOGGR has imposed Provisional Orders calling for penalties at two Greka facilities. One penalty has been upheld on appeal. The second is scheduled for hearing in June.

▪ **California Department of Fish and Game:**

The cleanup activities at Zaca and Bell facilities (not the U.S. EPA) have been completed. The PCB sampling for Bradley 3-Island led by the U.S. EPA has been completed. The minor traces of PCB does not require further action on the part of Fish and Game. At the present time there are no further creeks to be cleaned up.

**Attachments:**

- Attachment A – Schedule of Onshore Facility Inspection Reports
- Attachment B – Status of Prior Recommendations
- Attachment C – EPA Press Release on April 30, 2008
- Attachment D – Letter dated April 23, 2008 from Ed Brannon, Department of Conservation – Division of Oil, Gas and Geothermal Resources
- Attachment E - Screen Shot of a Centralized Database

## Attachment A

# Onshore Facility

## Inspection Report

**Facilities**  
 Shut Down = 3  
 Operating w/  
 Deficiencies = 12  
 Idle Facilities = 3

<b>Sites Inspected</b> Since January 15, 2008	<b>18</b>
<b>Deficiencies</b>	<b>1,181</b>
<b>Facilities Shutdown</b> Since January 15, 2008	<b>2</b>

Facility	Initial Inspection Date	Location Address	Status	Deficiencies by Facility Low/High Priority	Deficiencies Resolved by Facility
<b>Greka Energy</b>					
Ucal	1/17/2008	6527 Dominion Road Santa Maria	Shut Down 2/1/08	141/26	136
Bradley 3-Island	1/29/2008	3851 Telephone Road Santa Maria	Shut Down 1/29/08	88/5	0
Security Lease	1/31/2008	5200 Dominion Rd Santa Maria	Active	61/6	10
Union Sugar	2/5/2008	1505 Black Rd. Santa Maria	Active	45	7
Los Flores	2/7/2008	6151 Dominion Santa Maria	Active	55/2	4
Casmalia/Mrganti	2/12/2008	5080 Black Rd. Santa Maria	Active	53/1	6
Dominion	2/14/2008	6460 Dominion Rd. Santa Maria	Idle	38/1	0
Bell Tank Battery	2/19/2008	6780 Palmer Rd. Santa Maria	Active	56/5	61
Bell Blochman Inj.	2/19/2008	6605 Palmer Road Santa Maria	Active	See Bell Tank Battery	0
Zaca-Davis	2/21/2008 & 2/26/2008	5017 Zaca Station Rd Los Olivos	Shut Down 1/9/08	120/14	7
Bell Compressor	2/28/2008	7320 Palmer Road, Santa Maria	Active	74/3	5
Fullerton	3/4/2008	6749 Cal Canyon Rd.	Active	64/2	1
Jim Hopkins	3/6/2008	4000 So. Hwy 101, Santa Maria	Active	84/9	4
Escolle	3/11/2008	7275 Graciosa Rd., Santa Maria	Active	60/4	2
Battles Lease	3/18/2008	1348 Battles Road, Santa Maria	Active	32/4	None Reported
Williams Holding	2/20/2008	6855 Cal Canyon Rd. Santa Maria	Idle	60/7	None Reported
Kemp	3/25/2008	3518 Telephone Rd. Santa Maria	Active	29/1	None Reported
Bradley S-Island	3/27/2008	3850 Telephone Rd., Santa Maria	Idle	90/1	None Reported
<b>Total Facilities: 18</b>				1090/91	243

# Onshore Facility Inspection Report

### Facilities

Shut Down = 0

Operating w/  
Deficiencies = 8

Idle Facilities = 2

<b>Sites Inspected Since January 15, 2008</b>	<b>11</b>
<b>Deficiencies</b>	<b>132</b>
<b>Facilities Shutdown Since January 15, 2008</b>	<b>0</b>

Facility	Initial Inspection Date	Location Address	Status	Deficiencies by Facility Low / High Priority	Deficiencies Resolved by Facility
<b>Richards Oil</b>					
Wickenden Tank Facility	2/7/2008	7201 Foxen Cyn Rd., Santa Maria	Active	15	None Reported
Peshine Tank Facility	4/10/2008	5300 Associated Rd., Casmalia	Active	32/2	N/A
Tompkins Tank Facility	4/10/2008	5300 Associated Rd., Casmalia	Active	See Pershine	N/A
<b>Total Facilities: 3</b>				<b>47/2</b>	<b>None Reported</b>
<b>PXP</b>					
Jesus Maria Tank Facility	4/2/2008	VAFB, CA (West)	Idle	0	N/A
Lorpop Hill Tank Facility	4/8/2008	4230 Rucker Rd., Lompoc	Active	0	N/A
<b>Total Facilities: 2</b>				<b>0</b>	<b>N/A</b>
<b>BreitBurn</b>					
New love B4 Tank Facility	4/15/2008	1555 Orcutt Hill Rd., Santa Maria	Active	14/0	N/A
New love Steam Injection Facility	4/17/2008	1555 Orcutt Hill Rd., Santa Maria	Active	34/0 + electrical	N/A
New love WW Injection Facility	4/22/2008	1555 Orcutt Hill Rd., Santa Maria	Active	16/0 + electrical	N/A
New love Tank Facility 2	4/22/2008	1555 Orcutt Hill Rd., Santa Maria	Active	19/0 + electrical	N/A
Fox Tank Facility	4/29/2008	1555 Orcutt Hill Rd., Santa Maria	Active	List in Progress	N/A
Squires Tank Facility	5/1/2008	1555 Orcutt Hill Rd., Santa Maria	Idle	List in Progress	N/A
Cal Coast Tank Facility	5/6/2008	1555 Orcutt Hill Rd., Santa Maria			N/A
Final Tank Facility	5/8/2008	1555 Orcutt Hill Rd., Santa Maria			N/A
<b>Total Facilities: 8</b>				<b>83 + electrical</b>	
<b>Sierra Resources</b>					
H.P. Boyne Tank Facility	5/13/2008	10505 Hwy 101, Los Alamos, CA			N/A
Blair Tank Facility	5/15/2008	10505 Hwy 101, Los Alamos, CA			N/A
Soladino Tank Facility	5/20/2008	500 Associated Rd., Casmalia			N/A
<b>Total Facilities: 3</b>					

# Onshore Facility Spill Report

Number of Spills Since January 15, 2008	<b>40</b>
Greka Facilities	32
Breitbart Energy	4
Shell	1
Richards Oil	1
Santa Maria Pacific	1
PXP	1
<b>Total:</b> Gallons of Oil Spilled	<b>14,140</b>

Date	Operator	Lease/Facility	Gallons
1/15/2008	Greka	Bradley 3-Island	42
1/18/2008	Santa Maria Pacific	Phoenix/Carega	92.4
1/22/2008	Greka	Bradley 3-Island	42
1/23/2008	Greka	Bradley 3-Island	42
1/24/2008	Greka	Bradley 3-Island	1
1/24/2008	Greka	UCAL	84
1/25/2008	Greka	Zaca-Davis	126
1/25/2008	Greka	Zaca-Davis	3
1/25/2008	Greka	Fullerton	1
1/25/2008	Greka	Battles	1
1/26/2008	Greka	Bradley 3-Island	10
1/28/2008	Greka	Bell Tank Battery	84
1/29/2008	Shell	6400-block of Palmer Rd, SM	42
1/30/2008	Greka	Bell Tank Battery	8820
1/30/2008	Greka	Zaca-Chamberlin	84
1/30/2008	Greka	Zaca-Chamberlin	42
1/31/2008	Greka	Casmalia-Morganti	7
1/31/2008	Greka	Chamberlin	42
2/3/2008	Greka	Security Fee	84
2/5/2008	Greka	Casmalia-Morganti	2.5
2/5/2008	Greka	Casmalia-Morganti	30
2/15/2008	Richards Oil	Casmalia	1680
2/20/2008	Greka	Security Fee	84
2/20/2008	Breitbart Energy	Orcutt	756
2/20/2008	Greka	Security Lease	84
2/20/2008	Breitbart Energy	1555 Orcutt Hill Road	756
2/27/2008	Greka	Davis Lease	20
3/3/2008	Greka	California Well #41	60
3/5/2008	Greka	Gato ponds pipeline	63
3/11/2008	Greka	Davis tank battery	2
3/18/2008	Greka	Battles	1
3/20/2008	Greka	UCAL Well #98	210
3/22/2008	Greka	Chamberlin tank battery	200
3/22/2008	Greka	UCAL tank battery	294
3/23/2008	Breitbart Energy	Newlove tank battery	126
3/25/2008	PXP	Lompoc Oil and Gas Plant	2
3/27/2008	Greka	California Well #41	1
4/21/2008	Greka	Bell tank battery	42
4/23/2008	Greka	Bell Well # 170	42
4/28/2008	Breitbart Energy	dehydration facility	35
			14,140

Attachment B

**STATUS OF PRIOR RECOMMENDATIONS**

STAFF'S PRIMARY EFFORTS HAVE FOCUSED ON INCREASING ON-SITE INSPECTIONS AND PROVIDING RESOURCES TO ASSIST ONSHORE OPERATORS MEET COMPLIANCE REQUIREMENTS. HOWEVER, WE HAVE BALANCED THIS EFFORT WITH MOVING QUICKLY FORWARD ON RECOMMENDATIONS APPROVED BY THE BOARD OF SUPERVISORS ON JANUARY 15, 2008.

**Recommendation 1 -**

**Develop a Multiple Response Ordinance:**

Staff has worked cooperatively with onshore oil operators to develop a section in the Fire Code to address multiple responses. The proposed language is as follows:

**“Sec. 15-103. Petroleum facility response – Cost Recovery.**

Petroleum Facility Operators shall pay a fee as specified below, for any response to their petroleum facility (and/or associated piping and wells) by County Fire that is caused by a violation of Chapter 27 (hazardous Material) or Chapter 34 (Flammable and Combustible Liquids) of Article 1 of Chapter 15 of the Santa Barbara County Code. There shall be no fee for the initial response to a petroleum facility in a calendar year. However, a fee of \$712 shall be charged for each subsequent response to a petroleum facility in a calendar year. Additionally, if the time needed by County Fire to mitigate the hazard caused by any violation exceeds two hours, the Petroleum Facility Operator shall pay a surcharge based on County Fire's actual response costs.

**Exception:** Off-shore related Petroleum facilities with Conditional Use Permits and regulated by the county's Systems Safety and Reliability Review Committee (SSRRC) are exempt from Sec. 15-103.”

The language is included as part of the proposed revisions to the Fire Code contained in the Board agenda for May 13, 2008.

The environmental community (SBCAN) was a participant in a meeting with oil operators to discuss an appropriate method of addressing this issue.

**Recommendation 2 -**

**Develop a High Risk Offender Ordinance:**

The Energy Division is in process of finalizing draft financial assurance rules for off shore facilities to ensure that, for certain oil and gas and other energy facilities, demolition and removal of facilities and restoration of sites occur in a timely manner following permanent cessation of operations. These rules were not originally intended to apply to facilities that produce oil/gas derived from onshore fields. Application of the same rules to on shore facilities requires more research before a providing the Board with a recommendation of how to proceed with this concept.



**Recommendation 3 -**

**Develop a Centralized Data Base to Compile Violation History:**

Oil Data Tracking and Sources Database- see Attachment D

The “Oil Data Tracking and Sources Database” project has been initiated to consolidate disparate sources of data from various agencies in order to facilitate reporting of oil spill and compliance history. The initial focus will be on reporting summary compliance history by agency including the number of permits, status, number of inspections, number of notices of violations, releases, responses, and dollar amount of penalties. Data from the Fire Department, Planning and Development Department, and APCD agencies are being consolidated initially.

The data from the Fire Department and Petroleum has been imported and consolidated into a common database. Common data tables for Operators, Oil Fields, and Leases/Locations have been created. Information will be maintained using these forms. Staff is gathering information from APCD. The project is currently on track for a scheduled review.

**Recommendation 4 -**

**Increase Inspection and Permitting Fees  
for those Facilities Requiring Extraordinary Time for Inspection**

Draft ordinance language has been completed and is contained in the update to the Fire Code included in the Board agenda for first reading on May 13, 2008.

**Recommendation 5 -**

**Operational Efficiency Recommendations**

The County’s on-site inspection program has been consolidated under the responsibility of the Petroleum Unit. County staff continues to coordinate with all regulatory agencies and have met twice with each group since 1/15/08. Staff will report progress to Board at 60-day intervals until this situation is stabilized. The next report is scheduled for July 15, 2008.

## Attachment C



**For Immediate Release:** April 30, 2008

**Contact:** Wendy Chavez, 415/947-4248, [chavez.wendy@epa.gov](mailto:chavez.wendy@epa.gov)

### **U.S. EPA completes phase 1 of Greka cleanup at Bell Lease site** *Completes creek cleanup, removes 3,276 cubic yards of oil-impacted solids*

**SAN FRANCISCO** – The U.S. Environmental Protection Agency yesterday completed portions of the cleanup at the Greka Oil and Gas, Inc. Bell Lease site located at 6801 Palmer Rd. in Santa Maria, Calif.

On April 1, the EPA assumed control of all clean up efforts and completed the work started by Greka's contractor. As part of the creek cleanup, the EPA, with assistance from the California Department of Fish and Game, restored the creek and placed two inches of backfill and erosion control materials in the creek bed. The EPA also removed approximately 3,276 cubic yards of oil-impacted solids from the western Upper Bell Pond -- the source of the January spill -- for off-site disposal at a permitted hazardous waste disposal facility,

"We've completed a significant portion of the cleanup at the Bell Lease," said Rob Wise, the EPA's federal on-scene coordinator. "Additional work is required to address subsurface contamination from the Bell pond that is seeping to the surface"

After seeps began to appear in the excavated areas of the Upper Bell Pond on April 24, the EPA discovered the presence of heavily contaminated soil and free crude oil beneath the concrete surface of the ponds. The EPA is currently assessing the horizontal and vertical extent of the contamination to determine the best way to remove it, and plans to remove the concrete from the pond and excavate contaminated soil to a depth not to exceed five feet below ground surface. The work should be completed next week.

Due to the age of this lease, the existence of unknown pipelines is also of concern. Greka will conduct an underground pipe survey based on its knowledge. The EPA will conduct additional geophysical studies to determine if anything else is present in the subsurface, and remove all pipes leading to the pond by early next week.

To view pollution reports for recent spills please visit: [https://www.epaossc.org/site\\_profile.asp?site\\_id=3816](https://www.epaossc.org/site_profile.asp?site_id=3816)

# Attachment D

STATE OF CALIFORNIA, RESOURCES AGENCY \_\_\_\_\_

ARNOID SCHWARZENEGGER, GOVERNOR



## DEPARTMENT OF CONSERVATION

DIVISION OF OIL, GAS & GEOTHERMAL RESOURCES - SANTA MARIA OFFICE

5075 E. BRADLEY RD. • SUITE 221 • SANTA MARIA, CALIFORNIA 93458  
PHONE: 805/737-7945 • FAX: 805/737-0873 • WEB SITE: www.dco.ca.gov

April 23, 2008

Mr. John Baker  
County of Santa Barbara  
123 East Anapamu St.  
Santa Barbara, CA 93101-2058

RECEIVED  
APR 25 2008  
S.B. COUNTY  
PLANNING & DEVELOPMENT

Re: Enforcement Action Update

Dear Mr. Baker:

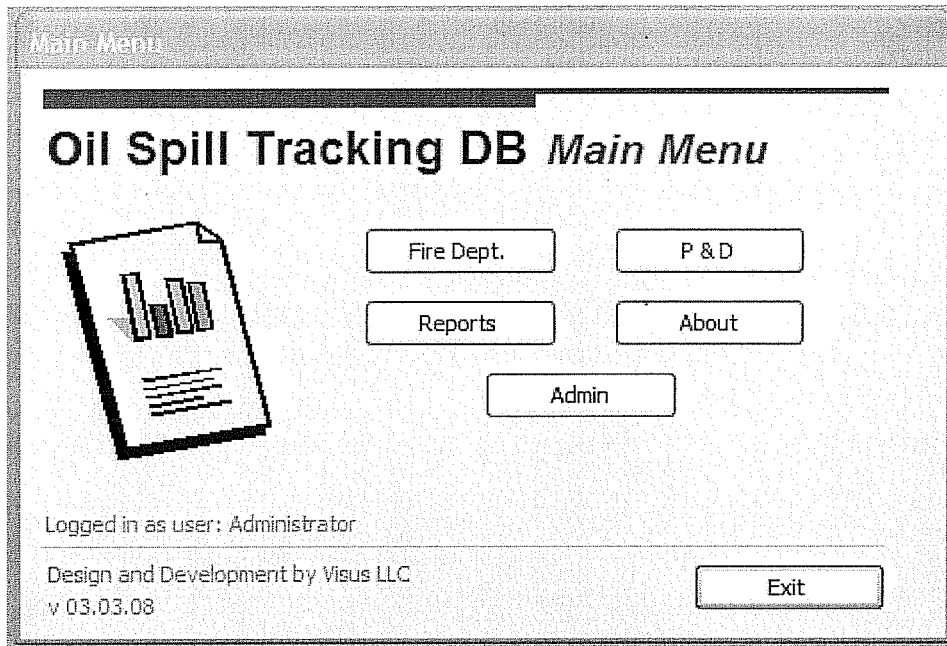
Updated information was requested concerning environmental inspections made and enforcement actions taken by our agency with regard to oilfield operations in Santa Barbara County. The following outlines the current activities of this Division.

In December 2007, the Division issued Provisional Order P307-3 imposing a civil penalty in the amount of \$5,000 for failure to maintain production facilities in a safe manner at the "Blockman" injection facility on December 7, 2007. Greka appealed the order and requested a hearing. The hearing was conducted on March 26, 2008. The State Oil & Gas Supervisor, as hearing officer, on April 21, 2008 rendered a decision concerning the amount of the civil penalty to be levied. The hearing officer upheld the \$5,000 amount of the civil penalty based upon Greka's failure to maintain its lease in such a manner to prevent this spill. The sum is due and payable by May 21, 2008. Greka may seek judicial review of the final order pursuant to Section 1094.5 of the Code of Civil Procedure.

In March 2008, the Division issued Provisional Order P308-1 imposing a civil penalty in the amount of \$5,000 for failure to maintain production facilities in a safe manner at the Davis tank battery in the Zaca field on January 5, 2008. Again, Greka has appealed the order and has requested a hearing. The hearing is slated for June 25, 2008, at 9 am in Santa Maria.

The Division's District 3 office actively inspects oil and gas operations within its five-county jurisdiction. A list of those leases where the Division has inspected in Santa Barbara County is included for your reference.

Attachment E



Permit Edit Form

## Oil Spill Tracking DB *Permits*

Station No.:

F52 Report No.:

Issue Date:

Expiration Date:

Permit Fee:

Name:

Mailing Address:

Street #:  Street:

City:  State:  Zip:

Permittee's Phone:

Business/Location:

Operator:

Field:

Facility:

Permit 1:

Permit 2:

Permit 3:

Permit 4:

Special Conditions:

Authority:

Contact #:

Record:   1     of 43

Spill History Edit Form

## Oil Spill Tracking DB *Spill History*

Date: 12/07/2007

**Imported Data:**

Operator: GREKA OIL & GAS, INC. ▼

Field: Cat Canyon

Lease: Blochman

**Translated Data:**

Operator: GREKA OIL & GAS, INC. ▼

Field: Cat Canyon ▼

Facility: Blochman Injection Facility ▼

Location: Blch/Bell Inj. Ponds

Oil:

Wtr:

**Cause Of Release:**

Equip.Failure -high level alarms

**Corrective Action Taken:**

System shut in, clean up is on going.

**Status Enforcement Action:**

Incomplete - In Progress

Close

Record:   1    of 145