



*County of Santa Barbara*

*Onshore Oil Facilities Update No. 3*

# 60 Day Staff Report and Update for: Onshore Oil Facilities

Santa Barbara County  
Board of Supervisors,  
July 8, 2008



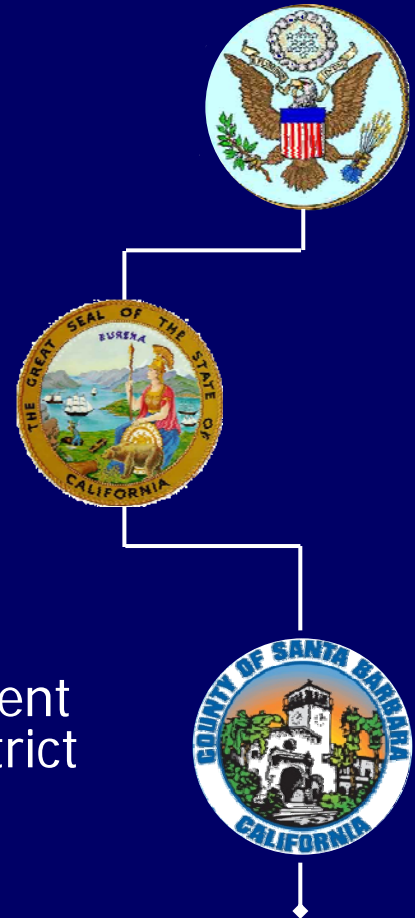
# Agenda

- Overview of inspection activity
- Review of recommended actions to enhance oversight capability



# Regulatory Oversight Agencies

- Federal
  - Environmental Protection Agency (EPA)
- State
  - California Division of Oil & Gas
  - California Department of Fish & Game
  - Regional Water Quality Control Board
- County
  - Division of Building and Safety Petroleum Unit
  - County of Santa Barbara Fire Department
  - County of Santa Barbara Planning & Development
  - Santa Barbara County Air Pollution Control District





# Coordinated Inspection Program

- County Fire, in conjunction with the County Petroleum Unit, have committed considerable resources towards performing on-site inspections.
- During the on-going inspection schedule, numerous deficiencies have been noted and brought to the attention of operators for correction.
- Once the inspections are completed, inspectors monitor the progress of work to correct the violations.



# Statistics:

## Inspections, Re-inspections

## & Spills



Reallocate staff and perform additional on-site inspections.  
Utilize professional contractors to assist in effort.



# County of Santa Barbara

## Onshore Oil Facilities Update No. 3

# Onshore Facility Inspection Report

Owner & Facility #1	Inspection Date	Location Address	Status	Total/High Deficiencies	Deficiencies Resolved
<b>Greka Energy</b>					
Ucal - 3rd. Inspection	6/9/2008	6527 Dominion Road Santa Maria	Shut Down	33/5	7/15-HMU-44 items removed from list
Bradley 3-Island	1/29/2008	3851 Telephone Road Santa Maria	Shut Down	88/5	None Reported
Security Lease-2nd inspection	4/11/2008	5200 Dominion Rd Santa Maria	Active	51/0	6 High Priority/4 Low Priority
Union Sugar-2nd inspection	4/15/2008	1505 Black Rd. Santa Maria	Active	38/0	7 of 11 Petroleum items corrected
Los Flores-2nd inspection	4/11/2008	6151 Dominion Santa Maria	Active	53/0	2 High Priority/2 Low Priority
Casmalia/Morganti-2nd inspection	4/16/2008	5080 Black Rd. Santa Maria	Active	48/0	high / 5 of 18 low priority Petro items
Dominion-2nd inspection	4/17/2008	6460 Dominion Rd, Santa Maria	Idle	38/1	No deficiencies corrected
Bell Tank Battery - 7th. Inspection	4/9/2008	6780 Palmer Rd.Santa Maria	Start Up-Active	0	50 (6 deferred)
Bell Blochman Inj. - 7th. Inspectio	4/9/2008	6605 Palmer Road Santa Maria	Start Up-Active	0	(Note: See Bell Tank Batt)
Zaca-Davis-5th iinspection	6/19/2008	5017 Zaca Station Rd Los Olivos	Active	0	120
Bell Compressor	4/23/2008	7320 Palmer Road, Santa Maria	Active	70/2	1 high/4 low priority Petro items
Fullerton	4/24/2008	6749 Cat Canyon Rd.	Active	63/2	1 low priority Petro item
Jim Hopkins-2nd Inspection	4/30/2008	4000 So. Hwy 101, Santa Maria	Active	80/9	4 low Petro items completed
Escolle-2nd Inspection	5/1/2008	7275 Graciosa Rd., Santa Maria	Active	58/4	2 low Petro items completed
Battles Lease-2nd inspection	5/14/2008	1348 Battles Road, Santa Maria	Active	30/4	2 low Petro items completed
Williams Holding-2nd inspection	5/15/2008	6855 Cat Canyon Rd. Santa Maria	Idle	60/6	1 high priority Petro item completed
Kemp-2nd Inspection	5/21/2008	3518 Telephone Rd. Santa Maria	Active	25/1	4 low priority Petro items completed
Bradley 5-Island-2nd Inspection	5/21/2008	3850 Telephone Rd., Santa Maria	Idle	30/1	None Reported
<b>Total No. of Deficiencies:</b>				<b>765/40</b>	

Stats:

Inspections:

48

Deficiencies

765/40

Shut Down:

2



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# Onshore Facility Inspection Report

Owner & Facility #1	Inspection Date	Location Address	Status	Total/High Deficiencies	Deficiencies Resolved
<b>Richards Oil</b>					
Wickenden Tank Facility	2/7/2008	7201 Foxen Cyn Rd., Santa Maria	Active	15/0	None Reported
Peshine Tank Facility	4/10/2008	5300 Associated Rd., Casmalia	Active	32/2	None Reported
Tompkins Tank Facility	4/10/2008	5300 Associated Rd., Casmalia	Active	32/2	None Reported
Total No. of Facilities:	3			79/4	
<b>PXP</b>					
Jesus Maria Tank Facility	4/2/2008	VAFB, CA (West)	Idle	0/0	N/A
Lompoc Hill Tank Facility	4/8/2008	4230 Rucker Rd., Lompoc	Active	0/0	N/A
Total No. of Facilities:	2			0/0	
<b>BreitBurn</b>					
Newlove 64 Tank Facility	4/15/2008	1555 Orcutt Hill Rd., Santa Maria	Active	14/0	None Reported
Newlove Steam Injection Facility	4/17/2008	1555 Orcutt Hill Rd., Santa Maria	Active	34/0	None Reported
Newlove WW Injection Facility	4/22/2008	1555 Orcutt Hill Rd., Santa Maria	Active	22/0	None Reported
Newlove Tank Facility 2	4/22/2008	1555 Orcutt Hill Rd., Santa Maria	Active	25/0	None Reported
Fox Tank Facility	4/29/2008	1555 Orcutt Hill Rd., Santa Maria	Active	11/0	None Reported
Squires Tank Facility	5/1/2008	1555 Orcutt Hill Rd., Santa Maria	Idle	0/0	None Reported
Cal Coast Tank Facility	5/6/2008	1555 Orcutt Hill Rd., Santa Maria	Active	16/0	None Reported
Pinal Tank Facility	5/8/2008	1555 Orcutt Hill Rd., Santa Maria	Active	23/0	None Reported
Total No. of Facilities:	7			145/0	
<b>Sierra Resources</b>					
H.P. Boyne Tank Facility	5/13/2008	10505 Hwy y 101, Los Alamos, CA	Active	23/0	None Reported
Blair Tank Facility	5/15/2008	10505 Hwy y 101, Los Alamos, CA	Active	15/0	None Reported
Soladino Tank Facility-2nd Insp.	6/27/2008	500 Associated Rd., Casmalia	Active	0/0	All deficiencies corrected
Total No. of Facilities:	3			38/0	
<b>E &amp; B Natural Resources</b>					
SCU Tank Facility 5	5/29/2008	1848 Perkins Rd., Hwy y 166, Cuyama	Active	13/0	None Reported
SCU Tank Facility 6	6/3/2008	1848 Perkins Rd., Hwy y 166, Cuyama	Active	17/0	None Reported
SCU Tank Facility 18	6/5/2008	Aliso Canyon Rd., Cuyama	Active	17/0	None Reported
SCU Machader Tank Facility	6/10/2008	1848 Perkins Rd., Hwy y 166, Cuyama	Active	13/0	None Reported
RRU Central Tank Facility	6/12/2008	8702 Hwy y 166, Cuyama	Active	15/0	None Reported
Total No. of Facilities:	5			75/0	
<b>Phoenix Energy</b>					
Careaga Facility	6/17/2008	7980 Graciosa Rd., Santa Maria	Active	4/0	None Reported
Total No. of Facilities:	1			4/0	
<b>Gitte-Ten</b>					
Careaga Facility	6/19/2008	7980 Graciosa Rd., Santa Maria	Active	1/0	None Reported
Total No. of Facilities:	1			1/0	
<b>B.E. Conway</b>					
Hancock Facility	6/24/2008	1190 Rosemary Rd., Santa Maria	Active	2/0	None Reported
Enos Facility	6/26/2008	1776 Rosemary Rd., Santa Maria	Active	2/0	None Reported
Magenheimer Facility	7/1/2008	7600 Cat Canyon Rd., Los Alamos	Active		N/A
Wait-Bradley Facility	7/3/2008	6190 Dominon Rd., Santa Maria	Active		N/A
Union Sugar Facility	7/8/2008	5140 W. Main St., Santa Maria	Active		N/A
Newhall Facility	7/10/2008	7275 Graciosa Rd., Santa Maria	Active		N/A
Total No. of Facilities:	6			4/0	
<b>Total No. of Deficiencies:</b>				<b>346/4</b>	



<b>Sites Inspected &amp; Re-inspected</b> <i>Since January 15, 2008</i>	<b>26</b>
<b>Facilities Operating w/ Deficiencies</b>	<b>21</b>
<b>Total No. of Deficiencies</b>	<b>346/4</b>



# Gallons Spilled Since January 15, 2008



Date	Operator	Gallons
	Breitburn Energy Total	917
	Greka Total	10567
	PXP Total	2
	Richards Oil Total	1680
	Santa Maria Pacific Total	92
	Shell Total	42
<b>January 15 to April 30, 2008 - Subtotal:</b>		<b>13,300</b>

Date	Operator	Lease/Facility	Gallons
5/1/2008	Greka	Bell	(1) 126
5/1/2008	Greka	Jim Hopkins	3
5/2/2008	BLM Transportation	Battles Lease	3
5/5/2008	Breitburn Energy	Orcutt Hill	84
5/6/2008	PXP	Lompoc Oil & Gas Facility	2
5/15/2008	Greka	UCAL Lease	42
5/16/2008	Greka	Battles Tank Battery	84
5/20/2008	Greka	Union Sugar Lease	25
5/30/2008	Greka	Casmalia/Morgantini Lease	(2) 210
6/2/2008	PXP	Lompoc Oil & Gas Facility	12
6/2/2008	Greka	Bell Tank Battery	42
6/13/2008	Greka	Casmalia/Morgantini Lease	30
6/23/2008	Breitburn Energy	Orcutt Hill	40
<b>May 1 to June 30, 2008 - Subtotal:</b>		<b>703</b>	

<b>TOTAL - Gallons spilled since January 15, 2008</b>		<b>14,003</b>
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Number of Spills Since January 15, 2008	51
Greka Facilities	39
Breitburn Energy	5
Shell	1
Richards Oil	1
Santa Maria Pacific	1
PXP	3
BLM Transportation	1
<b>Total:</b>	<b>14,003</b>
<b>Gallons of Oil Spilled</b>	





# Status of Recommended Actions



## *Recommendation # 1*

### Develop a Multiple Response Ordinance

- After a certain number of Emergency Responses and/or Reportable Releases at a Petroleum Operator's Facility, the Operator to Reimburse the County for Costs Associated with Subsequent Responses and/or Releases.





## Recommendation # 1:

### STATUS



#### “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 \$690 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.”



## *Recommendation # 2*

# Develop a High Risk Offender Ordinance

- Research development of prospective financial assurance rules to ensure financial wherewithal to remove oil operations and reclaim sites upon cessation of operations.





*Recommendation #2*

**STATUS**



- 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 "Violation History" Database





## Recommendation # 3

# STATUS

- The “Oil Data Tracking and Sources Database” project was initiated to:
  - Consolidate disparate sources of data
  - Facilitate reporting of oil spill and compliance history
- The initial focus on summary compliance history by agency including:
  - ☒ Number of Permits
  - ☒ Status
  - ☒ Number of Inspections
  - ☒ Number of Notices of Violations (NOV)
  - ☒ Releases
  - ☒ Responses
  - ☒ Dollar Amount of Penalties

*Data from the Fire Department, Planning and Development Department, and APCD agencies are being consolidated initially*

The screenshot shows a web-based form titled "Oil Spill Tracking DB Permits". The form contains several fields for data entry, including Station No., PSL Report No., Issue Date, Expiration Date, Permit Fee, Name, Facility Address, Street #, Street, Discovery On, Suite, City, Permittee's Phone, Operation, Field, Facility, Permit 1, Permit 2, Permit 3, Permit 4, Special Conditions, and Authority. The form is displayed in a browser window with a "Close" button at the bottom right.



*Recommendation # 4*



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

- **Revise fee ordinances further clarifying the flexibility for the Fire Department and Petroleum Unit to hire outside third-party contractors to perform permit inspections paid for by the operator.**







*Recommendation # 4*

*STATUS*



- **“Section 15-102. Surcharges**

- Surcharges based on actual costs will apply when, in the opinion of the Fire Chief, circumstances develop that require extraordinary time for issues including but not limited to special research, consultation or numerous inspections to ensure compliance.”



*Recommendation # 5*

## Operational Efficiency Recommendations

1. Direct staff to report on progress in dealing with Greka Energy every 60 days until significant progress is attained.
2. Direct staff to work collaboratively with other regulatory agencies to address violations and public health and safety issues with on-shore oil facilities

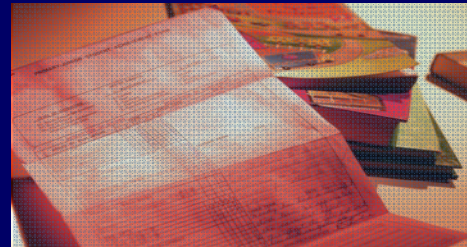




*Recommendation # 5*

***STATUS***

- Consolidation of the County's on-site inspection program; under the responsibility of the Petroleum Unit
- County staff to continue coordination efforts with all regulatory agencies.
- Next meeting will be scheduled for September 9, 2008.





Thank You

July 8, 2008  
On-Shore Oil 60-Day Update