



# ERG

## RESOURCES

### PRIVATE FRANCHISE AGREEMENT

March 14, 2017

Santa Barbara County Board of Supervisors  
ERG Private Franchise Agreement

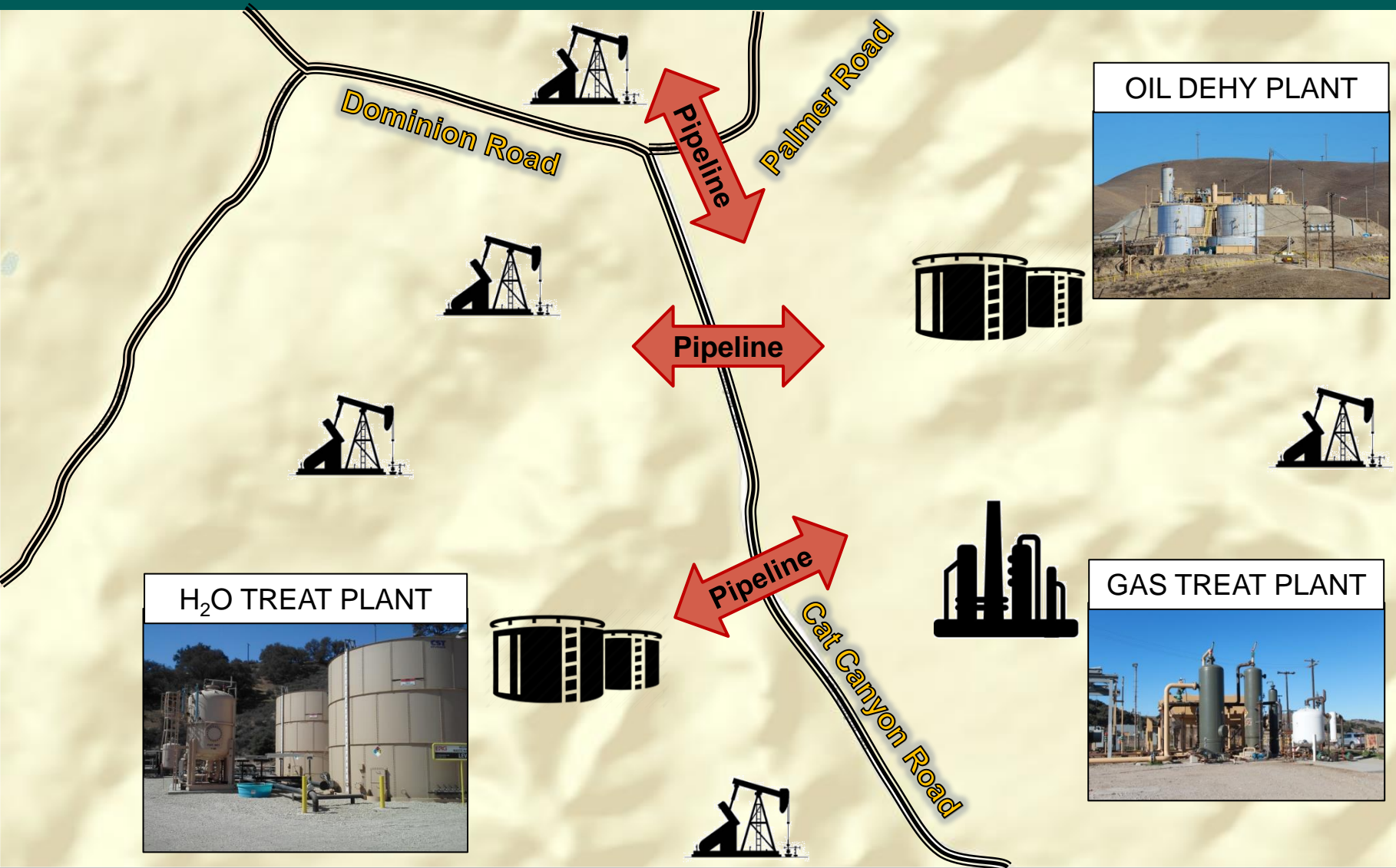
# Cat Canyon- 100 Years Ago



# ERG Origins in Cat Canyon



# Revitalization of Cat Canyon





MAR 4 2010



# Operating at the Highest Standard







# Private Franchise Agreement

## Financial Contract for ERG's existing private pipelines

- Ensure County is compensated for the use of Public Right-of-Way
- No new project is being approved today by the Private Franchise Agreement
- Private Franchise Agreement only covers existing facilities



| County Department   | Permit                                       | Responsibility  |
|---|--|---|
|  <p>Planning &amp; Development</p> | <p>Land Use Permit/<br/>Development Plan</p> | <p>Oversee safe development of facilities within Public and Private Land</p>                                |
|  <p>Public Works</p>               | <p>Encroachment Permit</p>                   | <p>Ensure safe development within County rights-of-way and integrity of County roadways &amp; utilities</p> |
|  <p>General Services</p>          | <p>Franchise Agreement</p>                   | <p>Coordinate assessment and collection of fees for use of County property</p>                              |
|  <p>Petroleum Division</p>       | <p>Inspections and Hydrotests</p>            | <p>Regularly inspects active and idle oil field equipment throughout County</p>                             |

# Background



ERG purchased the property from Chevron in 2010



Acquisition included Private Franchise Agreement (idle waste water line)



Board of Supervisors hearing November 2011 for renewal and transfer of ownership



Item continued, request for detailed documentation



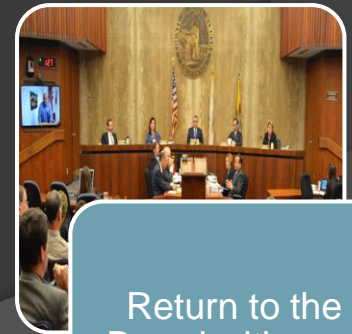
Physically locate all existing pipelines



Create detailed as-built engineering records



Coordinate with County Departments to ensure all pipelines are permitted & safe condition



Return to the Board with new Franchise Agreement

# Field Identification of Pipelines

- ERGs active pipeline system
  - Fully mapped and inspected in compliance with State Law & County Petroleum Code
  - Pipelines are almost exclusively built aboveground adjacent to lease roads where they can be easily visually inspected by daily operators



# Field Identification of Pipelines

- Identification of all pipelines within the County ROW
  - Potholing
  - Pipeline location with electromagnetic induction
  - Flushed and idled waste water line
- All work was performed under the guidance and approval of the County's Petroleum Division Personnel

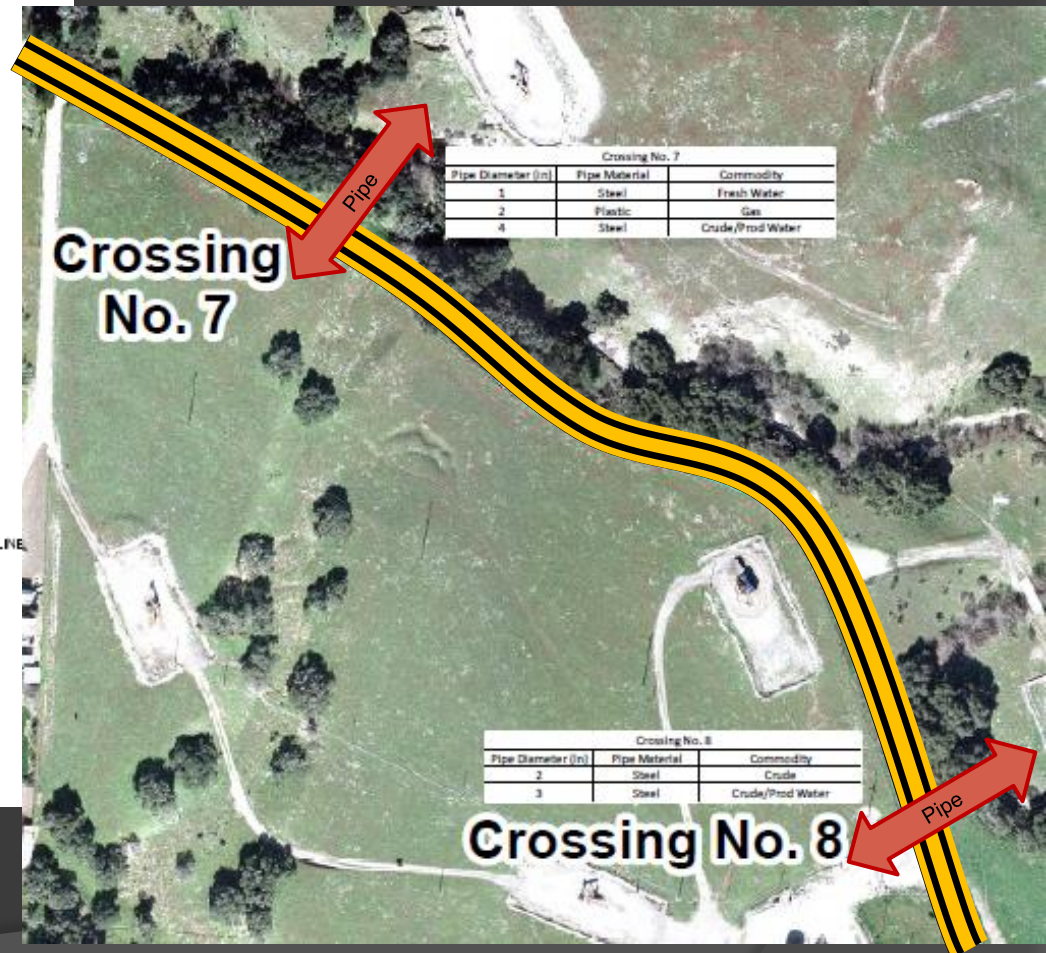


| Crossing No. | Road Name  | Pipe ID                  | Stationing | Pipe Diameter (in) | Pipe Material        | Commodity                | Length in RoW (ft)                    |                                 |
|--------------|------------|--------------------------|------------|--------------------|----------------------|--------------------------|---------------------------------------|---------------------------------|
| 1            | Cat Canyon | Cat Cyn-1443-1           | 14+43      | 6                  | Steel                | Crude                    | 51.94                                 |                                 |
| 1            | Cat Canyon | Cat Cyn-1443-2           | 14+43      | 6                  | Steel                | CVR                      | 51.94                                 |                                 |
| 1            | Cat Canyon | Cat Cyn-1443-3           | 14+43      | 2                  | Steel                | Gas                      | 51.94                                 |                                 |
| 1            | Cat Canyon | Cat Cyn-1443-4           | 14+43      | 1                  | Steel w/ Alum Csg    | Water                    | 51.94                                 |                                 |
| 2            | Cat Canyon | Cat Cyn-2602-1           | 26+02      | 8                  | Steel                | Crude                    | 50                                    |                                 |
| 3            | Cat Canyon | Cat Cyn-2962-1           | 29+62      | 4                  | Steel w/ Alum Csg    | Water                    | 50                                    |                                 |
| 3            | Cat Canyon | Cat Cyn-2962-2           | 29+62      | 4                  | Steel                | Soft Water               | 50                                    |                                 |
| 3            | Cat Canyon | Cat Cyn-2962-3           | 29+62      | 4                  | Steel                | Utility Gas              | 50                                    |                                 |
| 3            | Cat Canyon | Cat Cyn-2962-4           | 29+62      | 6                  | Steel                | Hard Water (sleeve only) | 50                                    |                                 |
| 3            | Cat Canyon | Cat Cyn-2962-5           | 29+62      | 6                  | Steel                | Natural Gas              | 50                                    |                                 |
| 3            | Cat Canyon | Cat Cyn-2962-6           | 29+62      | 2                  | Steel                | Hard Water               | 50                                    |                                 |
| 3            | Cat Canyon | Cat Cyn-2962-7           | 29+62      | 8                  |                      |                          |                                       |                                 |
| 3            | Cat Canyon | Other Operator (not ERG) | 29+62      | 4                  |                      |                          |                                       |                                 |
| 3            | Cat Canyon | Other Operator (not ERG) | 29+62      | 4                  |                      |                          |                                       |                                 |
|              |            |                          |            |                    | <b>Permit? (Y/N)</b> | <b>Permit No.</b>        | <b>Operating Status (Active/Idle)</b> | <b>Operating Pressure (psi)</b> |
|              |            |                          |            |                    | Y                    | 4201                     | Active                                | 100-125                         |
|              |            |                          |            |                    | Y                    | 4201                     | Active                                | 0-10                            |
|              |            |                          |            |                    | Y                    | 4201                     | Active                                | > 60                            |
|              |            |                          |            |                    | Y                    | 4201                     | Active                                | 20                              |
|              |            |                          |            |                    | Y                    | 37242                    | Active                                | 100-125                         |
|              |            |                          |            |                    | Y                    | 4080                     | Active                                | 20                              |
|              |            |                          |            |                    | Y                    | 4080                     | Active                                | 250                             |
|              |            |                          |            |                    | Y                    | 4080                     | Active                                | > 60                            |
|              |            |                          |            |                    | Y                    | 4080                     | Idle                                  | 0                               |
|              |            |                          |            |                    | Y                    | 4080                     | Active                                | > 60                            |
|              |            |                          |            |                    | Y                    | 4080                     | Active                                | 250                             |
|              |            |                          |            |                    | Y                    | 4080                     | Active                                | 100-125                         |
|              |            |                          |            |                    | Y                    | 4080                     | Active                                | N/A                             |
|              |            |                          |            |                    | Y                    | 4080                     | Active                                | N/A                             |

# Pipeline Crossing Plans/Maps

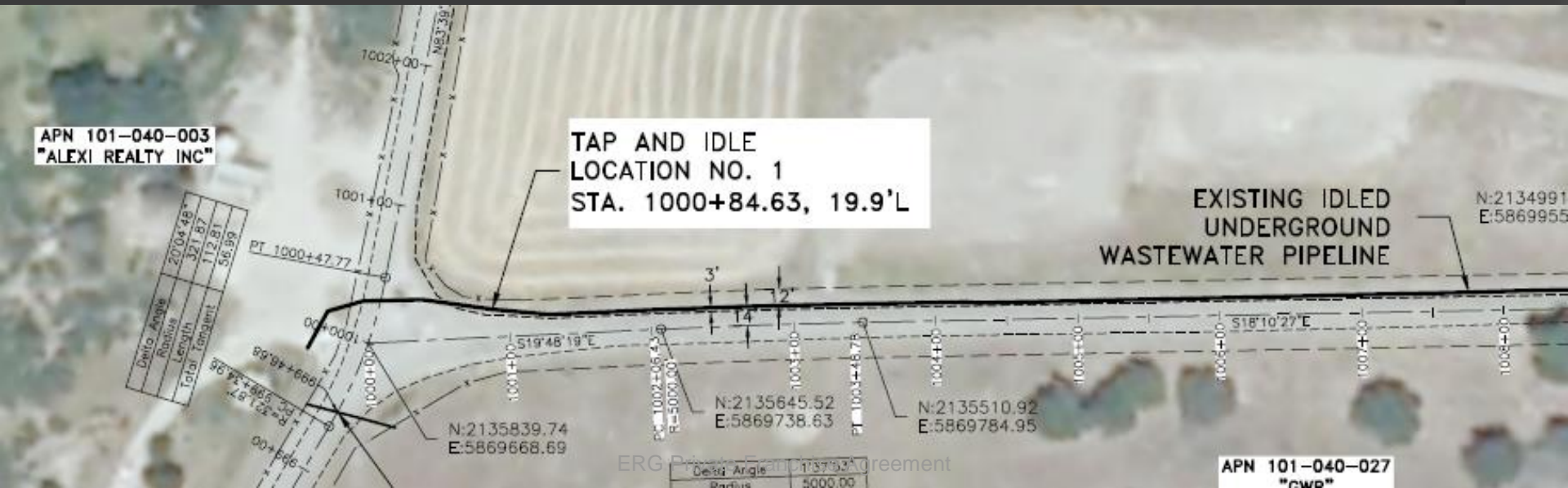
## CROSSING No. 1

APN 101-040-027  
 "GWP"  
 1 CASING VISIBL<sup>R</sup>



# As-built Engineering Documents

- As-built engineering documentation produced
- Plans have been reviewed and approved by:
  - County Petroleum Division
  - Public Works
- Any field improvements requested by County staff, such as placement of pipeline markers, have already been completed



# Next Steps

**Board of Supervisors Approves Franchise Agreement**

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graph LR; A[Board of Supervisors Approves Franchise Agreement] --> B[Public Works Issues Master Encroachment Permits]; B --> C[ERG Posts New Bond & Pays Annual Fees];
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**Public Works Issues Master Encroachment Permits**

**ERG Posts New Bond & Pays Annual Fees**



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THANK YOU

# Other ERG Projects

| Project                                    | Description   | Purpose  | Status  |
|--|---|--|---|
| <b>Foxen Petroleum Pipeline</b>            | 2.9 mile pipeline from ERG facility to P66 pipeline near Garey                    | Transport oil from ERGs existing operations to P66 Refinery, reduce trucking | Permit Approved by PC on 3/11/2015<br><br>Construction has not occurred |
| <b>West Cat Canyon Revitalization Plan</b> | Optimize the use the Cat Canyon Oilfield with Development of 233 additional wells | In-fill development of existing oilfield to increase resource production     | Application Deemed Complete, EIR Being Prepared                         |