



County of Santa Barbara

Onshore Oil Facilities Update No. 2

60 Day Staff Report and Update for: Onshore Oil Facilities

Santa Barbara County
Board of Supervisors,
May 13, 2008



Agenda

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



Regulatory Oversight Agencies

■ Federal

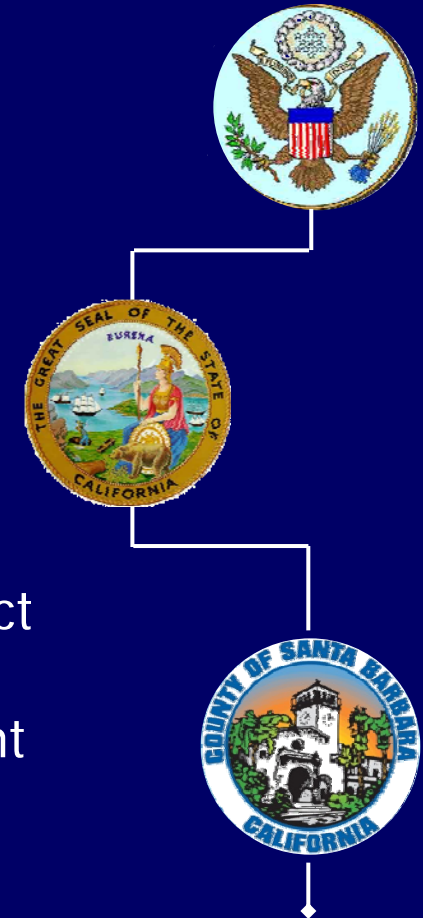
- Environmental Protection Agency (EPA)

■ State

- California Division of Oil & Gas
- California Department of Fish & Game

■ County

- Regional Water Quality Control Board
- Santa Barbara County Air Pollution Control District
- County of Santa Barbara Fire Department
- County of Santa Barbara Planning & Development
- Division of Building and Safety Petroleum Unit





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.



Inspection & Spill Statistics



County of Santa Barbara

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Sites Inspected Since January 15, 2008	18
Deficiencies	1,181
Immediate Deficiencies	91

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

Facility	Initial Inspection Date	Location Address	Status	Deficiencies by Facility - Low /High Priority	Deficiencies Resolved by Facility
Greka Energy					
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 1/25/08	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/Morganti	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 1/5/08	120/14	7
Bell Compressor	2/28/2008	7320 Palmer Road, Santa Maria	Active	74/3	5
Fullerton	3/4/2008	6749 Cat 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 Cat Canyon Rd. Santa Maria	Idle	60/7	None Reported
Kemp	3/25/2008	3518 Telephone Rd. Santa Maria	Active	29/1	None Reported
Bradley 5-Island	3/27/2008	3850 Telephone Rd., Santa Maria	Idle	30/1	None Reported
Total Facilities: 18				1090/91	243



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Sites Inspected Since January 15, 2008	11
Deficiencies	132
Immediate Deficiencies	2

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

Facility	Initial Inspection Date	Status	Deficiencies by Facility-Low /High Priority	Deficiencies Resolved by Facility
Richards Oil				
Wickenden Tank Facility	2/7/2008	Active	15	None Reported
Peshine Tank Facility	4/10/2008	Active	32/2	N/A
Tompkins Tank Facility	4/10/2008	Active	See Peshine	N/A
Total Facilities: 3			47/2	
PXP				
Jesus Maria Tank Facility	4/2/2008	Idle	0	N/A
Lompoc Hill Tank Facility	4/8/2008	Active	0	N/A
Total Facilities: 2			0	N/A
BreitBurn				
New love 64 Tank Facility	4/15/2008	Active	14/0	N/A
New love Steam Injection Facility	4/17/2008	Active	34/0 + electrical	N/A
New love WW Injection Facility	4/22/2008	Active	16/0 + electrical	N/A
New love Tank Facility 2	4/22/2008	Active	19/0 + electrical	N/A
Fox Tank Facility	4/29/2008	Active	List in Progress	N/A
Squires Tank Facility	5/1/2008	Idle	List in Progress	N/A
Cal Coast Tank Facility	5/6/2008			N/A
Pinal Tank Facility	5/8/2008			N/A
Total Facilities: 8			83 + electrical	
Sierra Resources				
H.P. Boyne Tank Facility	5/13/2008			N/A
Blair Tank Facility	5/15/2008			N/A
Soladino Tank Facility	5/20/2008			N/A
Total Facilities: 3				



Facility Inspection and Spill Reports

Since January 15th, 2008



	Reported Spills	Inspections	Deficiencies	Facilities Shut-Down
Greka	41	18	1,181	3
Breitburn Energy	3	4	83	0
Shell	1	0	n/a	0
Richards Oil	1	2	49	0
Santa Maria Pacific	1	0	n/a	0
PXP	1	2	0	0



Gallons Spilled Since January 15, 2008



Number of Spills Since January 15, 2008	38
Greka Facilities	32
Breitburn Energy	3
Shell	1
Richards Oil	1
Santa Maria Pacific	1
PXP	1
Total:	13,300
Gallons of Oil Spilled	

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	Breitburn 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	Breitburn 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	Breitburn Energy	dehydration facility	35
			13,300



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 \$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."



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

Oil Spill Tracking DB Permits

Station No.: 22

PSL Report No.: []

Issue Date: 05/06/2003

Expiration Date: 05/06/2004

Renewal Fee: \$25.00

Name: Hillco, Derry (Naves Energy)

Facility Address: Street #: 1200 Street: Discovery Dr, Suite 500 City: Bakersfield State: CA Zip: 93309

Permittee's Phone: (805)317-2148

Operation: Unassigned Facility

Field: Unassigned Facility

Facility: Unassigned Facility

Permit 1: Well, Wellbore and casing operations

Permit 2: []

Permit 3: []

Permit 4: []

Special Conditions: Follow Article 49 of the CFC.

Authority: Marcus Haggblom Engineer/Inspector

Contact #: (805) 317-2148

Close



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

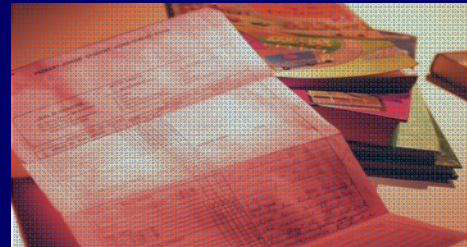




Recommendation # 5

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 July 15, 2008.





Thank You

May 13, 2008
On-Shore Oil 60-Day Update