

**Santa Barbara County
Board of Supervisors**

Tranquillon Ridge Appeals

September 9, 2008

■ Hearing Purpose

- Planning Commission Approved Project
 - April 21, 2008
 - 4-0-1 vote
- Three Appeals Filed
 - ExxonMobil/Sunset
 - Vaquero Energy
 - Bruce Bell

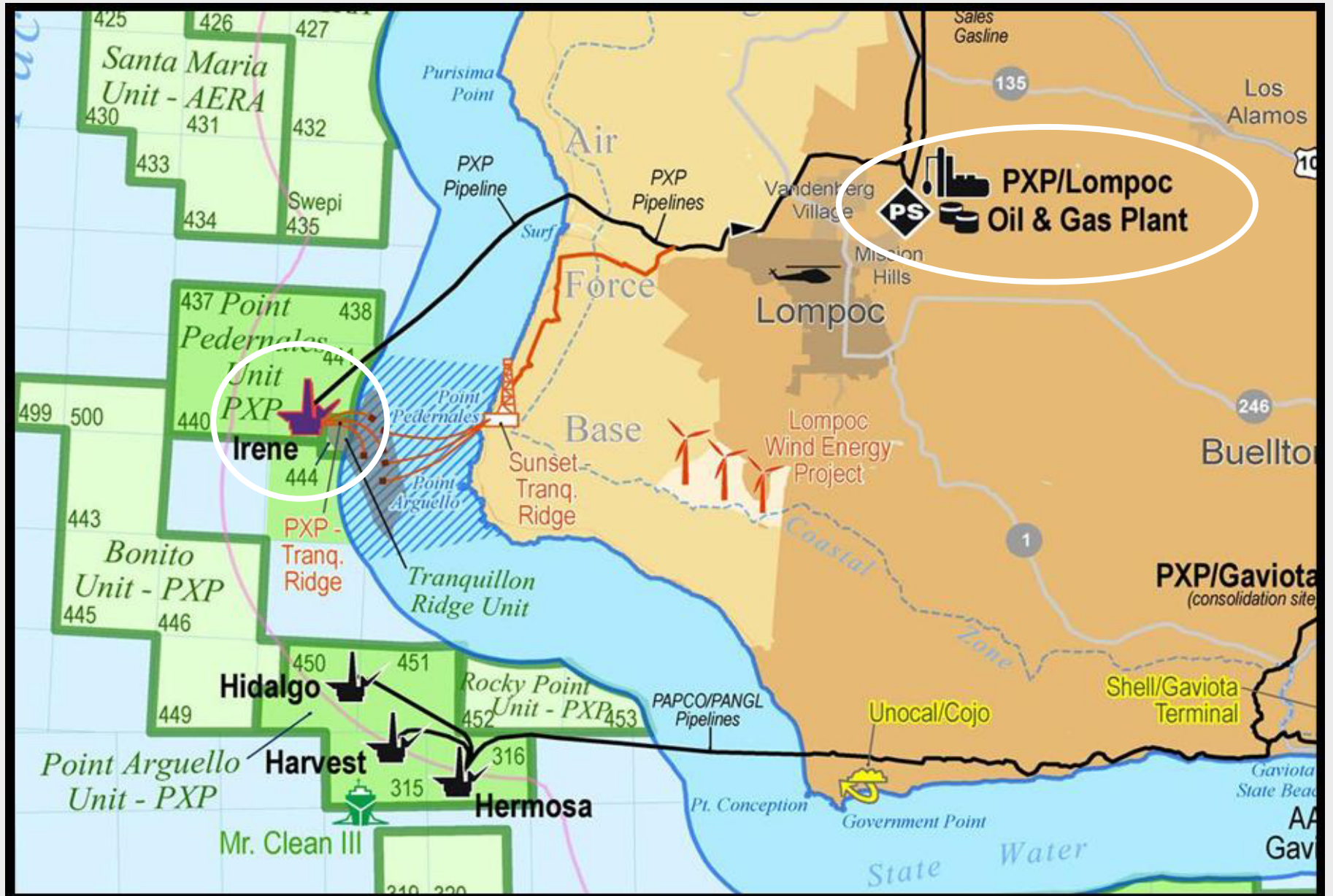
■ **Hearing Procedure**

- Project Description & Environmental Review
- Bell Appeal & Board Action
- ExxonMobil/Sunset & Vaquero Appeals
- Board Action on ExxonMobil/Sunset & Vaquero Appeals
- Board Action on Tranquillon Ridge Project

■ Tranquillon Ridge Project Description

- Drill from Platform Irene into State Waters
- Existing Pipelines and Processing Plant
- Existing Permitted Throughput
- 105 Million Barrels of Oil Equivalent
- 2022 End Date
- Greenhouse Gas Measures

Tranquillon Ridge Appeals



■ **Project Description** *(concluded)*

□ Detail available in:

- Board Letters, pp. 2-4
- PC Staff Report Section 5.0
- EIR Section 2.0

■ Environmental Review

- Proposed Final EIR (*April 2008*)
- 30-year Tranquillon Ridge Project
 - 13 Class I impacts
 - 23 Class II impacts
- 14-year Tranquillon Ridge Project
 - 11 Class I impacts
 - 15 Class II impacts
- Alternatives
 - VAFB Onshore Alternative
 - Project component alternatives
- Cumulative Impacts

■ **Bell Appeal**

- Board determine Appellant Bell standing to appeal
- If no standing, deny appeal for lack of standing
- If standing, hear appeal

■ **Appeal Issue**

- Consideration of significant environmental effects and alternatives
 - PC considered environmental effects and alternatives; see Board Letter, pp. 5-6

■ **Staff Recommendation: Deny Appeal**

■ ExxonMobil/Sunset Appeal

- ExxonMobil withdrew, Sunset did not
- Appeal Issues
 - “Actual” Onshore Alternative
 - VAFB Onshore Alt. adequately described and evaluated
 - Vahevala not an “actual” project
 - LOGP 2022 end date
 - Staff Recommendation: Remove LOGP from 2022 end date in Condition A-6

■ **Revised Condition A-6** *(second paragraph; changes from PC)*

On or before December 31, 2022, all oil and gas production, transportation, and processing associated with the Tranquillon Ridge Project permitted and Platform Irene, the Lompoc Oil and Gas Plant, and the oil, gas, and produced water return pipelines operated under this Final Development Plan shall permanently cease.

■ ExxonMobil/Sunset Appeal *(continued)*

□ Appeal Issues *(continued)*

■ Financial Information

- See Board Letter, pp. 20-22

Estimated Property Tax / Allocation to County

Estimated Mineral Value = \$80/bbl \$8/mcf

		Estimated Property Tax	General Fund Allocation	Fire Dept. Allocation (14.4%)
1 st year	2009	\$5,000,000	\$1,181,950	\$720,000
Peak year	2012	\$33,000,000	\$7,800,870	\$4,752,000
14 th year	2022	\$4,000,000	\$945,560	\$576,000
Total 14 years		\$228,000,000	\$53,896,920	\$32,832,000

Estimated Property Tax / Allocation to County

Estimated Mineral Value = \$100/bbl \$10/mcf

		Estimated Property Tax	General Fund Allocation	Fire Dept. Allocation (14.4%)
1 st year	2009	\$6,000,000	\$1,418,340	\$864,000
Peak year	2012	\$44,000,000	\$10,401,160	\$6,336,000
14 th year	2022	\$7,000,000	\$1,654,730	\$1,008,000
Total 14 years		\$313,000,000	\$73,990,070	\$45,072,000

Estimated Property Tax / Allocation to County

Estimated Mineral Value = \$120/bbl \$12/mcf

		Estimated Property Tax	General Fund Allocation	Fire Dept. Allocation (14.4%)
1 st year	2009	\$8,000,000	\$1,891,120	\$1,152,000
Peak year	2012	\$54,000,000	\$12,765,060	\$7,776,000
14 th year	2022	\$10,000,000	\$2,363,900	\$1,440,000
Total 14 years		\$399,000,000	\$94,319,610	\$57,456,000

- **ExxonMobil/Sunset Appeal** *(concluded)*
 - Staff Recommendation:
 - Uphold appeal point regarding LOGP end date
 - Deny remaining appeal points

■ Vaquero Energy Appeal

- Appeal Issues
 - LOGP 2022 end date
 - Revised Condition A-6

Revised Condition A-6 *(second paragraph; changes from PC)*

On or before December 31, 2022, all oil and gas production, transportation, and processing associated with the Tranquillon Ridge Project permitted and Platform Irene, the Lompoc Oil and Gas Plant, and the oil, gas, and produced water return pipelines operated under this Final Development Plan shall permanently cease.

■ Vaquero Energy Appeal *(continued)*

□ Appeal Issues *(continued)*

■ PXP Consolidation requirements

- LOGP not County-designated site

■ EIR analysis

- LOGP Closure
- Alternatives

■ Conditions A-18 and Q-9

- Conditions are consistent

- **Vaquero Energy Appeal** *(concluded)*
 - Staff Recommendation:
 - Uphold appeal point regarding LOGP end date
 - Deny remaining appeal points
 - Revise PXP Condition Q-9 for clarity

Revised Condition Q-9 *(last paragraph)*

Prior to the issuance of the Land Use Permit for the ~~HS&P~~ **Lompoc Oil and Gas Plant** and at any time thereafter, as requested by the County, PXP shall submit to the Director of Planning and Development terms under which other producers in the area would be permitted to enter and use either the facilities or property for oil and/or gas processing or storage facilities, or ancillary facilities including but not limited to electrical substations, water treatment facilities, and wastewater loading facilities. **Such terms shall include PXP's proposed rate to be charged for access and shall include any costs, assumptions and methodology used to calculate the proposed rate. PXP shall submit these terms within 30 days of a request by the Director, who may grant reasonable extensions for good cause.** If these terms are determined **by the Director** to be **unreasonable,** ~~unacceptable to potential users of the facility and if agreement cannot be reached,~~ the County reserves the right to impose additional conditions as described above to amend the permit. The intent of this condition is to ensure the efficient and maximum multi-company use of oil and gas transportation and processing facilities.

■ **Staff Recommendations**

- ExxonMobil/Sunset Appeal
 - Uphold portion, deny remaining
- Vaquero Energy Appeal
 - Uphold portion, deny remaining
- Approve Tranquillon Ridge Project
 - Certify Final EIR with minor clarifications
 - Adopt Findings for Approval
 - Adopt Conditions of Approval

End of Slides

Extra Slides

Oil Pipeline Integrity

- PXP Pipeline Integrity Program
 - FEIR p. 9.3-92 (S&EM-5)
- Pipeline Inspections
 - FEIR p. 9.3-98 (S&EM-36)
- Pipeline Repair History
 - FEIR p. 5.1-5 (Table 5.1.2a)



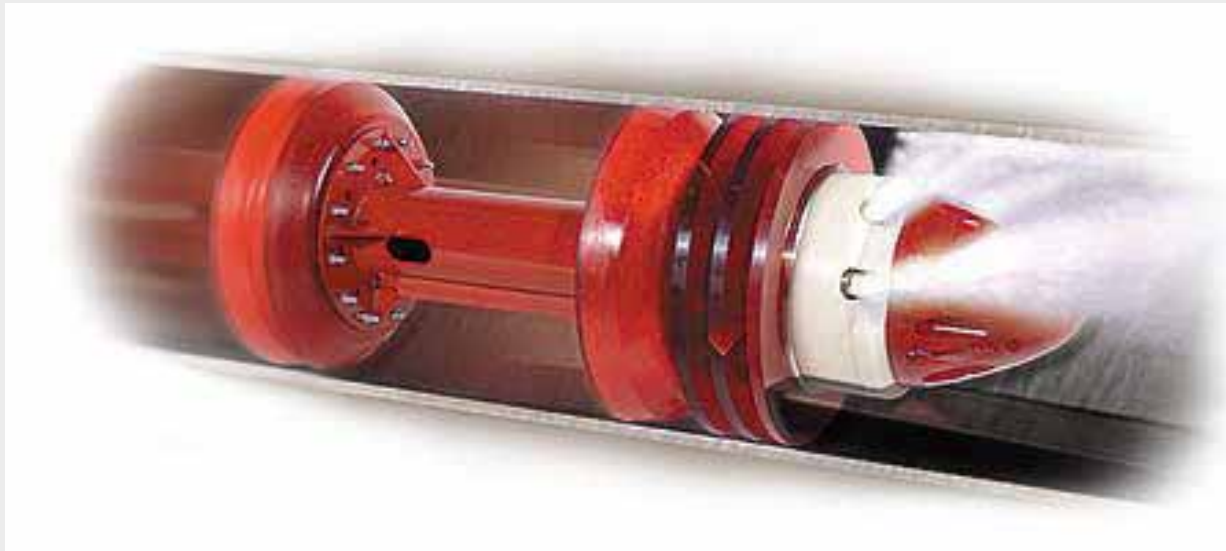
Smart Pigs



Scraper Pig



Brush Pig



Corrosion Inhibitor Pig

■ Q-9 Process

1. Permit application to County submitted by other user.
2. County review of permit application, including environmental and policy consistency review.
3. County determines LOGP best alternative for processing the new oil or gas.

■ **Q-9 Process** *(continued)*

4. County determines PXP and other user have complied with Condition A-18.
5. County approves other user's permit including use of PXP facilities.
6. Permitted other user provides evidence to County that PXP's terms are unfair / discriminatory.

■ **Q-9 Process** *(continued)*

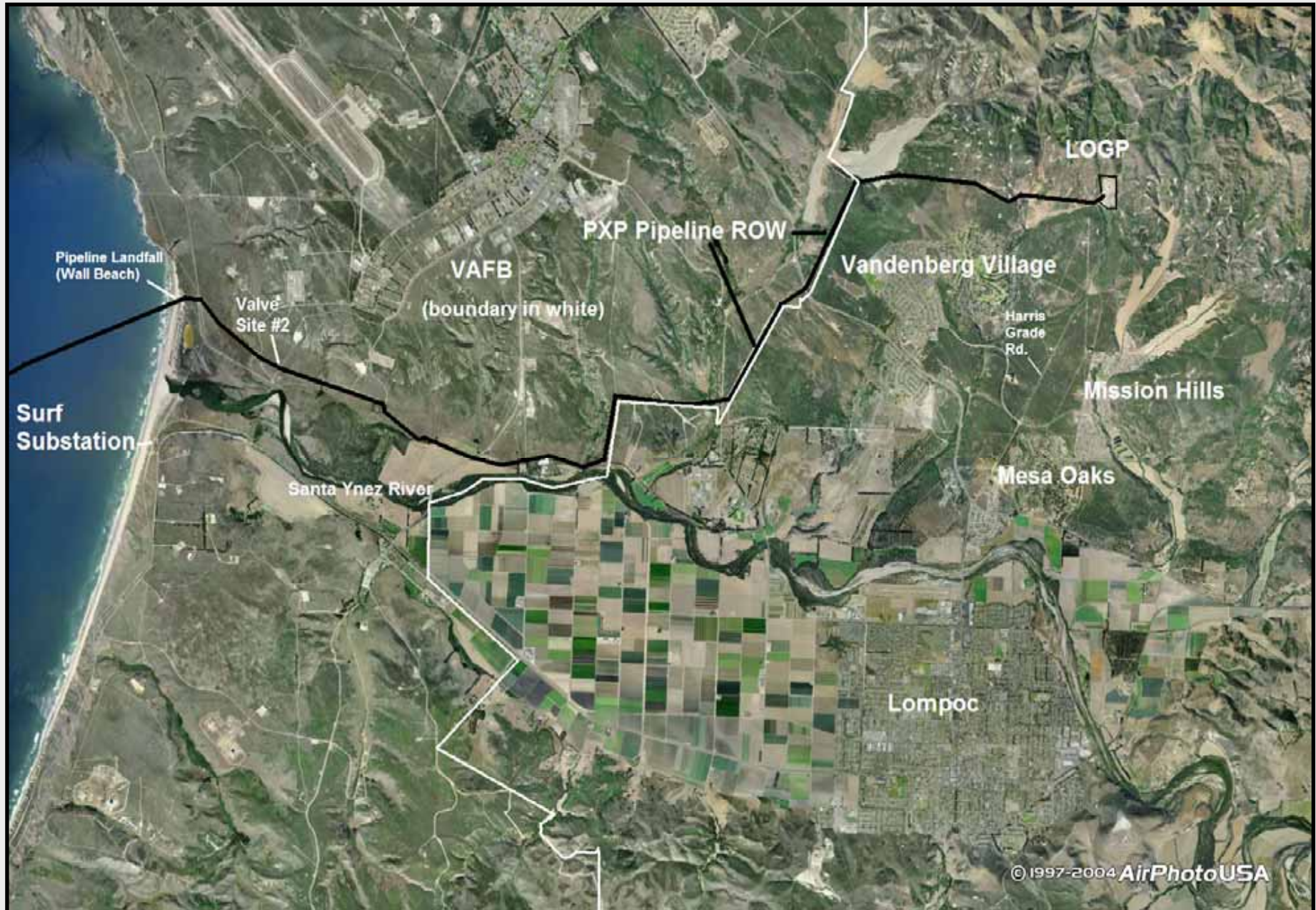
Condition A-18 requires:

- Other user's commitment to comply with FDP
- Other user's demonstration that significant impacts will be mitigated
- Submittal of proposed agreement for use of the PXP facilities
- County approval of other user's project

Platform Irene



Tranquillon Ridge Appeals



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LOGP

Tranquillon Ridge Appeals



LOGP

Tranquillon Ridge Appeals

