ATTACHMENT A.11

Recommended Clarifications to Final Tranquillon Ridge EIR EIR #06-00000-00005, SCH #2006021055

Recommended Clarifications to Final Tranquillon Ridge EIR

August 19, 2008

The clarifications in <u>red</u> underline type are recommended for addition to the final Tranquillon Ridge EIR. Additions in <u>black</u> underline type were previously added in response to comments received on the Draft EIR.

1. Add to FEIR p. 3-13:

3.3.3 Tranquillon Ridge Field Development Using Extended Reach Drilling Technology from VAFB (VAFB Onshore Alternative)

Background

The VAFB Onshore Alternative was considered in the 2002 Torch EIR, but eliminated from further consideration because VAFB considered such a commercial project as infeasible at the time because it might interfere with Base operations. However, in March 2006, Sunset Exploration, Inc. and Exxon Mobil Corporation submitted applications to Santa Barbara County, CSLC, and VAFB for development of the Tranquillon Ridge Field from an onshore site within VAFB. The County has deemed the application incomplete and VAFB has agreed to review the project in accordance with its Base Unit Beddown Program Site Survey Process to determine if the project would conflict with current and future Base operations. Because applications have been filed for a project that would develop the Tranquillon Ridge resources from VAFB, such development should be considered, under CEQA, a potentially feasible alternative to the proposed project. As such, this EIR evaluates an onshore development alternative to the proposed project. The currentVAFB Onshore Alternative examined herein is a conceptual alternative whose features were developed with the intent of avoiding or reducing environmental impacts of the proposed project.based to some extent on the Sunset/ExxonMobil application, although an independent analysis of alternative features was conducted (such as pipeline and transmission line alignments, and produced water disposal).- Further, it is assumed that the VAFB Onshore Alternative would be designed and operated in accordance with federal, State, and local regulatory requirements the same as or similar to those applicable to the proposed project (see Section 5.1.2).

2. Add to FEIR p. 5.1-58:

5.1.5.2 VAFB Onshore Alternative

The description of the VAFB Onshore Alternative is provided in Section 3.3.3. It is assumed for purposes of this risk analysis that the VAFB Onshore Alternative examined herein would be designed and operated in accordance with federal, State, and local regulatory requirements similar to those applicable to the proposed project (see Section 5.1.2). For example, the pipelines constructed and operated for this alternative would be under the jurisdiction of the federal Department of Transportation and must follow the regulations in 49 CFR 195. In addition, State regulations Part 51010 through 51018 of the California Government Code would apply. Spill Prevention, Control and

Countermeasure Plan requirements covered by 40 CDF Parts 109, 110, 112, 113, and 114 also would apply. Finally, recognized ASME, NACE, ANSI, and NFPA codes and standards are also assumed.

3. Add to FEIR, p. 2-7 (Section 2.2.2):

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Platform Irene for discharge. The applicant is authorized to discharge to the ocean from the platform up to 55,845,000 barrels of water per year (153,000 bpd) in accordance with the General NPDES Permit.

PXP projections for the Point Pedernales field production indicate that the water content of these federal wells will continue to increase in the future¹ at the same time that Tranquillon Ridge production is brought on-line. In addition, re-injection of produced water into the Lompoc Oil Field is only available over the short-term. In response to the projected produced water disposal needs, PXP is in the process of designing upgrades to the Platform Irene Point Pedernales water handling system to effectively treat produced water to the standards required for NPDES discharge, given the capacity of the 8-inch produced water pipeline (40,000 bpd). PXP plans to route select Point Pedernales wells with high water cuts through the new water separation and polishing equipment, and then commingle the produced water from this flow with the produced water being sent back from LOGP for a blended discharge. All blended discharges would be conducted in accordance with the current General NPDES Permit. The need for this equipment is not due to the Tranquillon Ridge project, but rather to the need treat water produced from the existing federal wells (Point Pedernales field). Adding this equipment is not a major construction effort or significant modification of current operations on the platform. Delivery of the equipment to the platform and installation activities would be conducted within normal operations and existing permitted activity levels associated with the Point Pedernales project.

A part of the produced water that would be treated at or shipped to Platform Irene may still be re-injected into Point Pedernales reservoir wells, as is currently the operation, to enhance current Point Pedernales production. Offshore water re-injection would be conducted as authorized by the MMS.

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¹ There are currently five Point Pedernales wells producing with an excess of 90% water cuts. The water cut for Point Pedernales wells can be as high as 99%.