

ATTACHMENT A.12

Recommended Findings for Approval of the Tranquillon Ridge Project

Case No. 06RVP-00000-00001

FINDINGS FOR APPROVAL

Tranquillon Ridge Oil and Gas Development Project
(06RVP-00000-00001)

Board of Supervisors, August 19, 2008

The following findings were adopted by the Santa Barbara County Planning Commission on April 21, 2008 for approval of the PXP Tranquillon Ridge Oil & Gas Project (06RVP-00000-00001). Staff recommendations for modifications to these findings to the Board of Supervisors are noted in red strikethrough (~~deletions~~) and underline (additions) type.

1.0 CEQA FINDINGS (Pursuant to PRC §21081 and the CEQA Guidelines §§15090 and 15091)

1.1 **CONSIDERATION OF THE EIR:** The ~~Planning Commission~~Santa Barbara County Board of Supervisors (Board) has considered the Environmental Impact Report (06-EIR-00005; SCH #2006021055) together with comments received and considered during the public review process. The Environmental Impact Report reflects the independent judgment of the ~~Planning Commission~~Board, has been completed in compliance with CEQA, and is adequate for the Tranquillon Ridge project.

1.2 **FULL DISCLOSURE:** Pursuant to Public Resources Code §21081, the ~~Planning Commission~~Board finds that, through implementation of feasible conditions placed on the Tranquillon Ridge project, the significant impacts on the environment will be avoided or substantially lessened, and mitigated to the maximum extent feasible.

1.3 **LOCATION OF RECORD OF PROCEEDINGS:** The documents and other materials that constitute the record of proceedings upon which this decision is based are in the custody of the Clerk of the Board of Supervisors and the Secretary to the Santa Barbara County Planning Commission, County Planning and Development Department located at 123 E. Anapamu Street, Santa Barbara, CA 93101.

1.4 **UNAVOIDABLE IMPACTS ARE MITIGATED TO THE MAXIMUM EXTENT FEASIBLE:** The Final EIR for the Tranquillon Ridge project identified 13 significant project-related impacts that cannot be fully mitigated and which are therefore considered unavoidable (Class I) impacts for the originally proposed Tranquillon Ridge project. Eleven of these significant impacts would occur for the reduced-life project. These impacts result from the increased volumes of oil and gas over current production levels and are primarily related to marine oil spills or trucking of hazardous materials on local roadways. These impacts were identified as significant, unavoidable impacts when the original Point Pedernales project was approved by the County in 1986. Each of these Class I impacts is listed in Table 3 of the April 15, 2008 Planning Commission staff report. Several mitigation measures have been adopted to address these impacts, as referenced in Table 3 of the April 15, 2008 Planning Commission staff report, as and identified in Attachment B (Conditions of Approval) to the April 15, 2008 staff report, as modified adopted by the ~~Planning Commission~~Board at the ~~April 21~~August 19, 2008 public hearing, and through other mitigation measures in the purview of other responsible agencies. The ~~Planning Commission~~Board finds that these are feasible mitigation measures that will reduce these adverse impacts but not to levels of insignificance and that there are no other feasible mitigation measures that could be required that would further reduce these impacts. Thus, the ~~Planning Commission~~Board finds that the unavoidable impacts associated with the Tranquillon Ridge project are mitigated to the maximum extent feasible. The discussion under Coastal Act §30260 (part 3) in Attachment D (*Policy Consistency Analysis*) to the April 15, 2008 staff report to the Planning Commission which enumerates the specific mitigation

measures adopted as permit conditions of approval is incorporated herein by reference as further support for this finding.

1.5 FEASIBLE MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL: In addition to the 13 significant and unavoidable environmental impacts discussed above, the EIR identified 24 significant but mitigable (Class II) impacts that would result from the originally proposed Tranquillon Ridge project. These Class II impacts are identified in Table 4 and discussed in Section 6.1.1 of the April 15, 2008 Planning Commission staff report, along with the adopted mitigation measures that will reduce these potentially significant impacts to less than significant levels. Therefore, the Planning Commission Board finds that feasible mitigation measures have been adopted as conditions of the approval for the Tranquillon Ridge project.

1.6 NO FEASIBLE ALTERNATIVE IDENTIFIED: The Final EIR considers several alternatives to the Tranquillon Ridge project in the impact analyses of Section 5.0. Section 6.0 of the EIR compares the various alternatives to the Tranquillon Ridge project and Table 6 in Section 6.1.1.5, *Alternatives*, of the April 15, 2008 Planning Commission staff report provides a summary comparison of the project to each alternative addressed in the EIR. Major alternatives evaluated are an onshore drilling and production site instead of using the existing offshore platform, a new oil and gas processing site located further north within Santa Barbara County, and replacement of the oil emulsion pipeline from the platform to the LOGP. The Planning Commission Board has declined to adopt any of the alternatives, as discussed below.

VAFB Onshore Drilling and Production Site: The EIR analyses describe several significant impacts that could be avoided and several others that would occur with implementation of an alternative drilling and production site located onshore, within Vandenberg Air Force Base. The EIR did not reach a conclusion as to how this conceptual alternative compares overall to the Tranquillon Ridge project because the projects cannot be examined to the same level of detail and their associated impacts are not strictly comparable for every measure (see EIR Section 6.0). The staff report discusses the likely impacts of this alternative relative to the Tranquillon Ridge project (see Planning Commission Staff Report Table 6). The onshore alternative would result in increased risks to VAFB personnel and significant impacts to onshore biological and cultural resources from both construction and operations.

Potential impacts of an oil spill on the marine environment would be substantially less for this onshore alternative than for the Tranquillon Ridge project, particularly once the Point Pedernales project ceases operations. The potential consequences of a marine oil spill are a significant issue for the County and we have favored certain kinds of onshore development (oil transportation via overland pipeline) over offshore options to address these concerns. In this case, however, the Planning Commission Board finds that, on balance, a new onshore drilling and production site on VAFB is not preferable to use of the existing PXP facilities, with the marine oil spill safeguards adopted herein as conditions of approval, to develop the Tranquillon Ridge reserves.

The Tranquillon Ridge project will cease operations by December 31, 2022. This will avoid significant adverse impacts that would have resulted from extending the life of the existing facilities, as originally proposed and evaluated in the EIR. A new onshore drilling and production project would be expected to operate for approximately twice as long as the Tranquillon Ridge project (30 vs. ~~15~~-14 years). Most of the significant impacts related to extending the life of the Point Pedernales project would be incurred, to some degree, with implementation of an onshore alternative. Thus, the reduced-life Tranquillon Ridge project will result in fewer significant and unavoidable impacts than a new long-term onshore drilling and production project and is preferred to the VAFB Onshore Alternative.

Casmalia East Processing Site: The EIR analyses concluded that the alternative processing plant location would shift, rather than eliminate, most of the significant impacts associated with use of the LOGP and would result in construction-related impacts that would not occur with the project as proposed by PXP. The current potential for significant new oil and gas production that would benefit from locating a new oil and gas processing plant in the North County does not appear to warrant the construction and operation of a new plant now or in the near future. However, the advantages and disadvantages of locating a new oil and gas processing plant in northern Santa Barbara County to provide for maximum consolidated use of such facilities in the future should be assessed if demand significantly increases. The Tranquillon Ridge project will cease operating by December 31, 2022, avoiding significant impacts associated with extending the life of the Point Pedernales facilities. Therefore, given that a new processing plant in northern Santa Barbara County would entail potentially significant impacts similar to those incurred with operation of the LOGP, though in a different location, and the potential for significant construction-related impacts to occur, the ~~Planning Commission Board~~ finds that continued use of the LOGP for the Tranquillon Ridge project until the project end-date of December 31, 2022, and as conditionally approved herein, is preferable to constructing and operating a new oil and gas processing plant and associated pipelines for this project.

Emulsion Pipeline Replacement: The ~~Planning Commission Board~~ finds that replacing the entire existing oil emulsion pipeline with a new one would not significantly reduce the potential for a pipeline-related oil spill and could result in several significant construction-related impacts, as discussed in the EIR. The existing pipeline is subject to specific inspection and maintenance requirements for which the County will provide oversight throughout the life of the project. Segments of the existing pipeline may need to be replaced during operation of the project, as is currently the case for the Point Pedernales project. However, the Tranquillon Ridge project will not extend operation of the pipeline beyond its currently expected lifetime, and operation of the pipeline will cease by the end of 2022. The ~~Planning Commission Board~~ finds that it is preferable to operate the existing pipeline, in accordance with the enhanced safeguards required by this approval, rather than incurring the construction and operational impacts of installing a completely new pipeline. This alternative would not substantially reduce significant impacts associated with either the originally proposed or the reduced-life Tranquillon Ridge project. Therefore, the ~~Planning Commission Board~~ finds that the emulsion pipeline replacement alternative is not preferable to the Tranquillon Ridge project as conditionally approved herein.

Power Line Undergrounding: Other alternatives discussed in the EIR and summarized in Table 6 of the April 15, 2008 Planning Commission staff report include power line options and drill muds and cuttings disposal methods. The ~~Planning Commission Board~~ has declined to adopt any of the power line alternatives. As discussed in Section 6.1.1.5 of the Planning Commission staff report, power line Option 2a would not reduce significant impacts; Option 2b would result in greater significant impacts; and the Terra Road undergrounding alternative would shift potentially significant (Class II) impacts from visual resources to cultural resources, air quality, and biological resources.

- 1.7 MITIGATION MONITORING AND REPORTING:** Public Resources Code §21081.6 requires that the County adopt a reporting or monitoring program for the changes to the project which it has adopted or made a condition of approval in order to mitigate or avoid significant effects on the environment. The approved project description and conditions of approval, with their corresponding permit monitoring requirements, are hereby adopted as the mitigation monitoring program for the Tranquillon Ridge project. The monitoring program is designed to ensure compliance during all phases of project implementation.

1.8 STATEMENT OF OVERRIDING CONSIDERATIONS:

The Final EIR for the Tranquillon Ridge project identifies significant, unavoidable impacts to marine and terrestrial biological resources and water quality, fishing, recreational, and cultural resources due to oil spills and spill clean-up efforts, and significant public safety risks associated with truck transport of gas liquids from the Lompoc Oil and Gas Plant. Several mitigation measures have been adopted to reduce these impacts, but not all significant impacts can be mitigated to less than significant levels. The benefits listed below warrant approval of the project notwithstanding that all identified significant adverse impacts are not fully mitigated.

The Tranquillon Ridge project now proposed by PXP offers unique benefits. Having balanced these benefits, based upon the best available information, against the significant and unavoidable adverse impacts of the project, the ~~Planning Commission~~**Board** hereby determines that these significant and unavoidable impacts are acceptable in light of the project's benefits described below. Pursuant to CEQA Section 15043, 15092, and 15093, any remaining significant effects on the environment are acceptable due to these overriding considerations. This statement is supported by substantial evidence in the record that includes the certified EIR, staff report and analyses, and oral and written testimony.

Use of Existing Coastal-Dependent Infrastructure without Extending Its Life

The proposed project, as revised, offers the best alternative to access Tranquillon Ridge oil and gas reserves, utilizing existing coastal-dependent and coastal-related infrastructure over the next 14 years with a definitive early termination date that reduces risk of mishap generally associated with aging infrastructure. The recovered reserves, in turn, provide an interim source of domestic oil and gas production, while California implements strategies to reduce the State's dependence on fossil fuels and associated greenhouse gas emissions. Recovery of these reserves from an alternative location, such as onshore Vandenberg Air Force Base, would result in operation of two individual production projects at the same time where one will suffice.

Termination Date: PXP has revised its proposal so that operation of the Tranquillon Ridge project will permanently cease by December 31, 2022. This project revision is reflected in Final Development Plan Condition A-6 of the staff-recommended revised permit attached to the August 19, 2008 Board agenda letter. As of December 31, 2022, PXP will cease operations of both the Point Pedernales and Tranquillon Ridge projects, ~~and will begin the decommissioning process for the Lompoc Oil and Gas Plant (LOGP) and associated pipelines~~. This project end-date coincides with the outer range of the estimated remaining project life for the existing Point Pedernales project. By limiting the Tranquillon Ridge operations to the same project life as the Point Pedernales project, PXP will avoid extending significant environmental impacts beyond the life of the existing operations. Importantly, this specific end-date identifies a clearly defined limit to increased oil and gas production and ~~processing-transportation~~ due to the Tranquillon Ridge project and its associated impacts, and is unprecedented for this kind of project in Santa Barbara County.

In adopting the December 31, 2022 end date, the Board has relied on PXP's written request dated April 14, 2008 to incorporate this end date into the Tranquillon Ridge project, information in the Tranquillon Ridge EIR (specifically regarding "extension of life" impacts associated with the originally proposed Tranquillon Ridge project), and the Planning Commission's deliberations and findings. The Board has not relied on any private, undisclosed agreements PXP may have executed with other parties, notwithstanding the publicity such agreements may have received in the media and in comments made to the Planning

Commission and to the Board in written or oral testimony in the public hearings on the project.

Continued Use of an Existing Coastal-Dependent Industrial Facility: The current Point Pedernales project, that would provide the physical infrastructure to produce the Tranquillon Ridge field, is consistent with all but one applicable Coastal Act and County policies, the exception being Coastal Act Policy 30232. However, the Coastal Act provides leeway as regards this exception via Policy 30260 as discussed below. Platform Irene and associated pipelines are considered a coastal-dependent use that “requires a site on, or adjacent to, the sea to be able to function at all” (Coastal Act Section 30101). Section 30260 of the Coastal Act guides the Coastal Commission and local coastal jurisdictions as to the benefits of limiting coastal-dependent development to existing sites, such as Platform Irene, as follows:

Coastal-dependent industrial facilities shall be encouraged to locate or expand within existing sites and shall be permitted reasonable long-term growth where consistent with this division. However, where new or expanded coastal-dependent industrial facilities cannot feasibly be accommodated consistent with other policies of this division, they may nonetheless be permitted in accordance with this section and Sections 30261 and 30262 if (1) alternative locations are infeasible or more environmentally damaging; (2) to do otherwise would affect the public welfare; and (3) adverse environmental effects are mitigated to the maximum extent feasible.

The EIR did not draw a conclusion as to whether the conceptual “VAFB Onshore Alternative” or the Tranquillon Ridge project would be environmentally preferable overall because significant impacts would occur in both similar and different issue areas when compared to the Tranquillon Ridge project. We acknowledge that a significant impact associated with the Tranquillon Ridge project related to marine oil spills would be reduced if the resource were to be developed from an onshore site. However, other Class I impacts would still occur and construction-related impacts would be greater for a new onshore facility and the onshore alternative still results in significant adverse impacts from oil spills, thereby resulting in greater environmental impacts to the environment. A new onshore drilling and production facility clearly would involve more construction-related impacts, some of them significant and potentially unavoidable, than the Tranquillon Ridge project. With an onshore drilling and production site, significant impacts from an oil spill originating offshore would be eliminated, but some impacts to marine biota and water quality would still be likely in the event an onshore spill reached the ocean. Other significant impacts from both construction and operation would be likely to occur with an onshore production site. The ~~Planning Commission~~Board found (Finding 1.6, above) that potentially feasible alternative locations for the facilities necessary to develop the Tranquillon Ridge Field reserves would not be less environmentally damaging than the Tranquillon Ridge project, primarily due to the type and amount of new construction that would be needed to implement the alternatives.

If the Tranquillon Ridge project were not approved (the “No Project Alternative” in the EIR), the resource could still be developed in the future. If this development occurred after Platform Irene is decommissioned, new construction potentially would result in significant impacts. Operational impacts would be similar to those for the Tranquillon Ridge project, several of them significant and unavoidable. In addition, as approved, the Tranquillon Ridge project will operate for, at most, 15 years. The price of crude oil today is at all time highs and is expected to remain at these (or higher) levels for the foreseeable future. Given these market conditions, it is reasonable to assume that any new facilities built to develop the Tranquillon Ridge resources would remain in operation for substantially longer than 15 years, perhaps 30 years or more. Significant and unavoidable impacts that would occur from such development would

thus be extended well into the future. For these reasons, the ~~Planning Commission~~Board finds that the public welfare is better served by developing the Tranquillon Ridge reserves using the existing facilities for a defined period of time, as approved herein.

Continued Use of Existing Coastal-Related Facilities: The LOGP is zoned M-CR, Coastal-Related Industry, and is contained within the boundaries of the onshore Lompoc Oil Field, inland of the Coastal Zone. Coastal-related development refers to uses that are “dependent on a coastal-dependent development or use” (Coastal Act Section 30101.3). This Coastal Act policy is not applicable to the LOGP due to the facility’s location outside of the Coastal Zone, however, the pipelines connecting Platform Irene and the LOGP traverse lands both within and outside of the Coastal Zone. The LOGP is not designated as Coastal-Dependent, nor is it a Consolidated Oil and Gas Processing Facility, but it does serve offshore oil and gas development and is the only existing facility in northern Santa Barbara County that is approved for this purpose. It has operated since 1987 as an oil processing facility, and since 1997 as a gas processing facility as well. All of these existing facilities will be used to implement the Tranquillon Ridge project. New project components associated with the Tranquillon Ridge project are limited to the potential addition of booster pumps at Valve Site #2, which is at the eastern boundary of the Coastal Zone, and installation of additional power lines and poles and possibly a new substation to operate the new pumps. The substation and many of the power poles would be located outside of the Coastal Zone.

The County has long-standing policies encouraging consolidation of industrial facilities within the County where possible. The project adjustments PXP has made will allow it to develop the Tranquillon Ridge oil and gas reserves without extending the life of its existing facilities and without incurring environmental impacts associated with significant new construction. As approved, the Tranquillon Ridge project will use existing facilities almost entirely and only minor new construction would occur. No other existing facilities in the region could develop the Tranquillon Ridge reserves with fewer impacts. Production of the Tranquillon Ridge reserves from any other site would require construction of a new platform or onshore drilling and production facility, new pipelines, and potentially a new gas processing plant. The Tranquillon Ridge EIR assessed the relative impacts of (1) constructing a new oil and gas drilling and production site and using the existing LOGP for processing, and of (2) constructing a new onshore oil and gas processing plant in the Casmalia Oil Field and new pipelines from the LOGP site to this plant. The EIR concluded that this “Casmalia East Alternative” would not reduce significant impacts of the proposed project and would result in additional environmental damage, primarily from construction.

Interim Source of Domestically Produced Oil and Gas: California is undertaking serious efforts to reduce its greenhouse gas emissions to 1990 levels by the year 2020, as enacted in the California Global Warming Solutions Act of 2006 (Health and Safety Code §§ 38500 *et. seq.*). Reducing the State’s dependence on fossil fuels is part-and-parcel of this effort, and will be accomplished through several strategies, including promotion of clean-energy alternatives to fossil fuels, energy conservation, and more efficient use of energy. In the interim, development of the Tranquillon Ridge oil and gas reserves between now and the year 2022 helps California to meet short-term demand for fossil fuels from domestic supplies as the State implements strategies to reduce its carbon footprint by reducing dependence on fossil fuels. In doing so, the Tranquillon Ridge project has the potential to avoid some greenhouse gas emissions into the atmosphere should this oil and gas reduce demand for imported crude oil and natural gas, or reduce demand for domestic production that that relies on high CO₂-emitting enhanced oil recovery methods to extract heavy crude oil.

2.0 DEVELOPMENT PLAN FINDINGS

The Tranquillon Ridge project is subject to the requirements of both the County's Coastal Zoning Ordinance (CZO) and the County's Land Use and Development Code (LUDC), which covers portions of the project inland of the Coastal Zone. Pursuant to Section 35-174.7 (Permit Procedures - Development Plans, Findings Required for Approval) of the CZO, a revised Final Development Plan shall be approved only if findings 35-174.7.1.a through 35-174.7.1.h are made. Similarly, pursuant to Section 35.82.080.E (Permit Review and Decisions - Development Plans, Findings Required for Approval) of the LUDC, findings 35.82.080.E.1.a through 35.82.080.E.1.h must be made in order to approve a revised Final Development Plan. These CZO and LUDC findings are identical or very similar to one another and are presented and discussed together here.

1.a **CZO:** *That the site for the project is adequate in size, shape, location, and physical characteristics to accommodate the density and level of development proposed.*

LUDC: *The site for the subject project is adequate in terms of location, physical characteristics, shape, and size to accommodate the density and intensity of development proposed.*

The Tranquillon Ridge project comprises several "project sites." These are Platform Irene, the Lompoc Oil and Gas Plant (LOGP), and the pipeline corridor connecting the platform and the LOGP. The Tranquillon Ridge oil and gas will be produced, transported, and processed within these existing Point Pedernales facilities which are currently used in the same way for production of the offshore Point Pedernales Field and are located in rural areas of the County, away from population centers. None of these facilities will require significant physical expansion or modifications to accommodate oil and gas production from the Tranquillon Ridge field. The potential addition of three new pumps at Valve Site #2 would occur within the existing valve site on Vandenberg AFB. A small electrical substation would be located on agricultural land and the new power line and poles would be installed between the substation and Valve Site #2. Much of the power line route would parallel existing lines and/or roadways. Because the existing production platform, pipelines and processing facilities are sufficient to accommodate the Tranquillon Ridge project with relatively minor modifications, the project sites are found to be adequate in size, shape, location and physical characteristics to accommodate the project.

1.b **CZO:** *That adverse impacts are mitigated to the maximum extent feasible.*

LUDC: *Adverse impacts will be mitigated to the maximum extent feasible.*

Section 6.1.1 of the April 15, 2008 staff report to the Planning Commission discusses the significant impacts that would result from implementation of the Tranquillon Ridge project as well as specific mitigation measures which have been adopted to mitigate each of these impacts. Impacts that cannot be mitigated to less than significant levels are related to marine oil spills and spill clean-up and truck transport of gas liquids from the LOGP. Conditions of approval have been adopted to mitigate these impacts. These include requirements for PXP to update and implement its Oil Spill Response Plan, Transportation Risk Management and Prevention Plan (for gas liquids trucking), Fire Protection and Emergency Response Plans; to enhance and continue monitoring, inspection and maintenance of the oil, gas, and produced water pipelines and other facilities associated with the project; to continue to blend the heavier gas liquids (NGLs) into the crude oil stream to the maximum extent feasible to minimize truck transport of these gas liquids; and, to continue to provide funding for California Highway Patrol patrolling of State Highway 166 which the NGL trucks are required to use.

Certain permit conditions have also been adopted to mitigate adverse impacts that would not be considered significant under CEQA even without the additional mitigation. However, these additional, feasible mitigation measures help to ensure that the Tranquillon Ridge project will be implemented consistent with this finding. In addition, Final Development Plan Condition B-2 provides for the County to assess the effectiveness of the adopted mitigation measures throughout the life of the project

and allows for imposition of additional or revised mitigation measures where such measures would mitigate adverse environmental impacts more effectively. Based on the analyses in the EIR and as discussed in the staff report, the Planning Commission Board finds that with implementation of the adopted conditions of approval, adverse impacts associated with the reduced-life Tranquillon Ridge project will be mitigated to the maximum extent feasible.

1.c ***CZO***: ***That streets and highways are adequate and properly designed to carry the type and quantity of traffic generated by the proposed use.***

LUDC: ***Streets and highways will be adequately and properly designed.***

The Tranquillon Ridge project will generate a small increase in truck traffic during operations. Truck trips to haul gas liquids from the LOGP would increase from about three per week to five trips per week. The EIR determined that this increase in truck traffic would not change the level of service on Harris Grade Road, the primary affected roadway. An adopted condition of approval (Condition O-10) for the project requires PXP to ensure that all trucks enter or leave the LOGP facility during non-rush hour times to minimize interference with other traffic on the local roadways. The County has not identified any physical improvements to local roadways that are necessary to accommodate traffic associated with the Tranquillon Ridge project and therefore the Planning Commission Board finds that streets and highways are adequate and properly designed to carry the type and quantity of traffic generated by the Tranquillon Ridge project, as conditionally approved herein.

1.d ***CZO***: ***That there are adequate public services, including but not limited to fire protection, water supply, sewage disposal, and police protection to serve the project.***

LUDC: ***There will be adequate public services, including fire and police protection, sewage disposal, and water supply to serve the proposed development.***

Current levels of service are adequate for the existing Point Pedernales project and will continue to be adequate for the Tranquillon Ridge project as well. The Tranquillon Ridge project will not result in population growth in the area, or expansion of the LOGP facility such that the need for public services would increase. Water use and sewage disposal requirements will be similar to those for existing operations. The increased truck trips to transport natural gas liquids from the LOGP from three per week to five per week will not drive a need to increase California Highway Patrol activity on Highway 166 and will be accomplished in accordance with safety measures included in PXP's updated Transportation Risk Management and Prevention Program required by FDP Condition P-23. Pursuant to FDP Condition P-8, PXP currently provides partial funding for one fire-fighter position at County Fire Station #51 and will continue to provide this funding throughout the life of the Tranquillon Ridge project. Based on the foregoing, the Planning Commission Board finds that there are adequate public services to serve the reduced-life Tranquillon Ridge project.

1.e ***CZO***: ***That the project will not be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood and will not be incompatible with the surrounding area.***

LUDC: ***The subject project will not be detrimental to the comfort, convenience, general welfare, health, and safety of the neighborhood and will not be incompatible with the surrounding areas.***

The Tranquillon Ridge project will exacerbate an existing significant risk to public safety due to the increased transportation of gas liquids from the LOGP. This risk to public health and safety will be reduced but not eliminated through implementation of an updated Transportation Risk Reduction and Management Plan. The requirements for this Plan are described in Final Development Plan Condition P-23 and include, among other things, maximum blending of heavier gas liquids into the crude oil stream that is transported via pipeline, provisions for carrier safety and training audits, defined routes, and certain truck loading procedures. Other potential health and safety risks associated with operation

of the Tranquillon Ridge project are due to the presence of hydrogen sulfide in the gas pipeline from Platform Irene to the LOGP and the potential for fire or explosion hazard associated with the oil emulsion pipeline. Based on the EIR analyses, these two hazards were determined to be adverse but less than significant public safety impacts.

The Tranquillon Ridge project will increase the amount of oil and gas in the pipelines that connect Platform Irene to the LOGP. The integrity of the crude oil pipeline has been problematic in the past, with some defective flanges on the subsea portion of the line and corrosion problems on the onshore portion of the line. Potential leaks or ruptures of this pipeline, such as the 1997 spill of 163 to 1,242 barrels¹ of oil, could be detrimental to the comfort, convenience, and general welfare of Lompoc area residents and the public in general. Pipeline spills could significantly damage biological, agricultural, cultural, and recreational resources in the project area and adversely affect the public's use and enjoyment of these resources. Since the 1997 oil spill, PXP has implemented pipeline repairs and safety measures to reduce the likelihood that such an incident will be repeated. The **Planning Commission Board** has adopted revised FDP Condition P-2, which requires, among other things, that PXP implement certain procedures prior to re-starting the pipeline in the event of an unexplained or emergency shutdown. These procedures were instituted after the 1997 oil spill and will continue to be implemented for the Tranquillon Ridge project. Potential impacts will be reduced through existing and additional mitigation measures that have been adopted for the Tranquillon Ridge project to protect persons and property in the area. These measures include pipeline inspection and repairs (FDP Condition P-2, *SIMQAP*), an updated pipeline leak detection system (FDP Condition P-16, *Leak Detection*), SSRRC review of pipeline operations (FDP Conditions P-1, *SSRRC* and P-2, *SIMQAP*), and implementation of updates to the Oil Spill Response Plan (FDP Condition P-13).

In addition to the appearance and function of project-related facilities, two factors to be considered in determining the overall land-use compatibility of the onshore portions of the project include the County's policies encouraging consolidation of oil and gas processing facilities to minimize land disturbances throughout the County and the need to locate processing facilities away from more populated areas due to system safety issues. The Tranquillon Ridge project will use the existing LOGP and associated pipelines, which were found to be compatible with the surrounding area in previous approvals for the Point Pedernales project and, overall, not detrimental to the public health, safety and general welfare. The industrial features of the LOGP are partially screened from public viewing points along Harris Grade Road by landscaping and revegetation efforts previously required and which will continue in effect for the Tranquillon Ridge project. The pipelines are buried and the right-of-way has been restored for most of its length. The rural character of the area is not affected by the buried pipelines. For these reasons and because PXP has committed to implementing several safety measures and continued landscaping and revegetation efforts as required by the County, the **Planning Commission Board** finds that the Tranquillon Ridge project will not be detrimental to the health, safety, comfort, convenience and general welfare and will not be incompatible with the surrounding area.

1.f ***CZO: That the project is in conformance with 1) the Comprehensive Plan, including the Coastal Land Use Plan, and 2) with the applicable provisions of this Article and/or the project falls within the limited exception allowed under Section 35-161.7.***

LUDC: The proposed project is in conformance with the Comprehensive Plan, including any applicable community or area plan and the applicable provisions of this Development Code and/or the project falls within the limited exception allowed in compliance with Chapter 35.10 (Nonconforming Uses, Structures, and Lots).

¹ The State's official spill volume from the Torch Point Pedernales pipeline was 163 barrels. The 1,242-barrel estimate is from Santa Barbara County and is based on additional factors that were not taken into account with the CDFG official number (see EIR Section 2.3.1.3).

The project's consistency with the Comprehensive Plan, including the Coastal Plan, is discussed in detail in Attachment D to the April 15, 2008 staff report to the Planning Commission. As described therein ~~and including any amendments made by the Planning Commission,~~ the ~~Commission Board~~ finds the Tranquillon Ridge project to be consistent with the County's Comprehensive Plan, with the exception of Coastal Act Section 30232, *Oil Spills*. This Coastal Act policy inconsistency can be overridden under the provisions of Coastal Act Section 30260, *Industrial Development Location or Expansion*, as discussed in Attachment D.

1.g **CZO:** *That in designated rural areas, the use is compatible with and subordinate to the scenic, agricultural, and rural character of the area.*

LUDC: *In designated rural areas, the use will be compatible with and subordinate to the agricultural, rural, and scenic character of the rural area.*

The LOGP is in a designated rural area. Although oil field operations have existed in the area for decades, the noise, lighting (especially at night), and appearance of industrial equipment and facilities are not entirely compatible with the scenic and rural nature of the area. Previous landscaping and revegetation efforts have not completely screened equipment at the LOGP from all public viewing points, as noted in EIR Section 5.13.1.2, though landscaping has somewhat reduced visual exposure of the facilities to the public and will continue to do so in the future. Approval of the Tranquillon Ridge project includes adoption of revised FDP Condition L-8 to require visual impact mitigation plans for the LOGP and the Surf Substation. PXP is also required to provide a painting plan for the LOGP (FDP Condition L-4) to improve the facility's compatibility with the surrounding area and to develop an updated lighting plan (FDP Condition L-2) to identify feasible opportunities to reduce lighting at the LOGP. Limited industrial development can be compatible with the rural character of an area where it is spatially confined, screened to the extent feasible, and does not significantly interfere with scenic vistas or other rural uses. The scenic, agricultural, and rural character of the area has not been significantly or irretrievably affected by the presence of the LOGP for the last 20 years and would not be affected differently by operation of the Tranquillon Ridge project. In addition, the County's Safety Element Supplement requires remote locations for hazardous industrial facilities, such as the LOGP (see policy consistency discussion for Safety Element Supplement, *Policy HAZARDOUS FACILITY SAFETY, 3-A, SITING* in Attachment D to this staff report). Based on the foregoing and to balance competing County goals in favor of safety, the ~~Planning Commission Board~~ finds that use of the existing LOGP to process Tranquillon Ridge oil and gas is compatible with and subordinate to the scenic, agricultural and rural character of the area.

1.h **CZO:** *That the project will not conflict with any easements required for public access through, or public use of a portion of the property.*

LUDC: *The project will not conflict with any easements required for public access through, or public use of a portion of the property.*

There are no access public easements through, or for the use of, the portions of the project sites that are outside of the coastal zone. The Surf electrical substation is located near the Amtrak Station at Wall Beach (within Vandenberg Air Force Base) but does not interfere with any public access associated with use of that train station. Therefore, the ~~Planning Commission Board~~ finds that the Tranquillon Ridge project will not conflict with any public easements or uses of the property.

In addition to the findings discussed above, a revised Final Development Plan for an onshore processing facility outside of the South Coast Consolidated Planning Area shall not be approved unless the review authority also makes certain findings listed in LUDC Section 35.55.040 – Treatment and Processing Facilities - Findings for Development Plans. These findings are made for the Tranquillon Ridge project, as discussed below.

A.1 Consolidation or collocation on or adjacent to an existing processing facility to accommodate the proposed production is not feasible or is more environmentally damaging.

A new oil and gas processing facility was not proposed, nor has one been approved. The **Planning Commission Board** finds that use of the existing LOGP processing facilities, as proposed by PXP and conditionally approved herein, is feasible and less environmentally damaging than construction of new facilities to process Tranquillon Ridge oil and gas.

A.2 There are no feasible alternative locations for the proposed processing facility that are less environmentally damaging.

The **Planning Commission Board** finds that the use of the existing LOGP processing facilities, as proposed by PXP and conditionally approved herein, is feasible and less environmentally damaging than construction of new facilities to process Tranquillon Ridge oil and gas. An alternative location in the North County for a new oil and gas processing plant (Casmalia East alternative) was evaluated in the EIR to determine the potential for reducing potentially significant project-related impacts, including safety issues, incident response, and visual resources. This alternative was found to be more environmentally damaging than use of the existing PXP facilities for the Tranquillon Ridge project. The discussion and conclusions presented under CEQA Finding 1.6 above are incorporated herein by reference. Thus, the **Planning Commission Board** finds that there are no feasible alternative locations for the processing the Tranquillon Ridge oil and gas that are less environmentally damaging than use of the LOGP.

A.3 Where consolidation or collocation on or adjacent to an existing processing facility is not proposed, for Coastal areas east of the City of Santa Barbara, there are no existing processing facilities within three miles of the proposed site.

(This finding is not applicable to the Tranquillon Ridge project.)

A.4 The proposed facility is compatible with the present and allowable recreational and residential development and the scenic resources of the surrounding area.

As discussed in Findings 1.e and 1.g, above, the continued use of the LOGP is compatible with the scenic quality and land uses of the surrounding area and will not be a detriment to the public health, safety and general welfare. The LOGP site is surrounded by PXP-owned land and a 5,000-acre parcel that Unocal deeded to the State as an ecological preserve. This preserve is about 2,000 feet from the LOGP property and could be used for passive recreational purposes. The nearest residence is about 4,800 feet from the LOGP. Mitigation measures have been adopted to ensure continued and improved safety measures are in place to reduce potential risks of the project. These measures include requirements for transporting gas liquids from the LOGP (FDP Condition P-23), requirements to update the pipeline leak detection systems (FDP Condition P-16), and reduction of significant visual impacts to the extent feasible (FDP Conditions H-1, H-5, L-2, L-4, L-8). Based on the location of the LOGP and adoption of mitigation measures to reduce significant safety and aesthetic impacts to the extent feasible, the **Planning Commission Board** finds that the Tranquillon Ridge project as approved herein is compatible with the present and allowable recreational and residential development and the scenic resources of the surrounding area.

A.5 Gas processing facilities proposed in the North County Consolidation Planning Area (NCCPA), including expansion of existing facilities, have been sited in compliance with criteria in the Comprehensive Plan study entitled Siting Gas Processing Facilities. Additionally, sites are selected with adequate consideration of future gas processing needs in the NCCPA to optimize siting and consolidation strategies. The "expansion" of an existing facility shall mean structural modifications, alterations, expansions, or enlargements that

result in increases in facility capacity, or changes in facility use, operation, or other limitations imposed by permit or other law. The “expansion” of an existing facility shall also mean introduction of production from a field not served by the processing facility since January 1, 1986, or from a new production well that increases the current extent of a field presently served by the facility. Expansion shall not include modification to existing facilities that is required to comply with current health and safety regulations and codes.

The existing Lompoc Oil and Gas Plant was permitted in accordance with County policies. Prior to installation of gas processing equipment at the LOGP site, the gas plant proposal and six alternatives were evaluated in a Supplemental Environmental Impact Report and assessed according to the siting and screening criteria of the *Siting Study*. In approving the construction and operation of the gas plant at the LOGP site, the County found that locating a gas processing component at this site met 36 of the 38 *Siting Study* criteria. One criterion that could not be met was related to air quality and it could not be met by any of the six alternative sites that were also assessed. The other criterion that could not be met for the gas plant is Siting Criterion #6, which recommends avoidance of sites that would introduce truck transportation of hazardous materials on County or City roadways of high risk. The County found that, with incorporation of mitigation measures and as compared to the alternatives, the LOGP site afforded the most consistency with the screening and siting criteria for the gas plant. Although the Tranquillon Ridge project would increase the number of gas liquids truck trips from about 3 per week to about 5 per week, this would be less than the 2.3 truck trips per day associated with the gas plant as approved by the County in 1996. The Tranquillon Ridge project meets the definition of expansion of the gas plant because it involves introduction of production from a field that has never been served by the LOGP. However, the permitted capacity of the gas plant (15 million standard cubic feet per day), its location, and basic gas processing equipment will not change as a result of introducing Tranquillon Ridge production. Based on the original findings for the gas plant for approval of the LOGP site, the analysis of the Casmalia East processing site alternative in the EIR (see CEQA Finding 1.6 and Development Plan Finding A-2, above), and the continuance of gas throughput below the permitted plant capacity, the ~~Planning Commission~~Board finds that the use of the existing LOGP for processing gas from the Tranquillon Ridge Field is consistent with the criteria in the County's Comprehensive Plan study entitled *Siting Gas Processing Facilities*.