



County of Santa Barbara

60 Day Staff Report and Update for: Onshore Oil Facilities

Santa Barbara County
Board of Supervisors,
March 11, 2008



Three Pronged Approach

One

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

Two

Utilize existing codes to the maximum extent possible. (For example, the recently revised Petroleum Code)

Three

Provide staff with additional resources outlined in our recommendations, including reviewing legal options.



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.



County of Santa Barbara

Onshore Oil Facilities Update No. 1



Sites Inspected Since January 15, 2008	11
Deficiencies	511
Immediate Deficiencies	46

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

Facility	Inspection Date	Location Address	Status	Deficiencies by Facility/High Priority Deficiencies	Deficiencies Resolved by Facility
Greka Energy					
UCal	1/17/2008	6527 Dominion Road Santa Maria	Shut Down	141/26	None Reported
Bradley 3-Island	1/29/2008	3851 Telephone Road Santa Maria	Shut Down	88/5	None Reported
Security Lease	1/31/2008	5200 Dominion Rd Santa Maria	Active	61/6	None Reported
Union Sugar	2/5/2008	1505 Black Rd. Santa Maria	Active	45	None Reported
Los Flores	2/7/2008	6151 Dominion Santa Maria	Active	55/2	None Reported
Casmalia/Morganti	2/12/2008	5080 Black Rd. Santa Maria	Active	53/1	None Reported
Dominion	2/14/2008	6460 Dominion Rd, Santa Maria	Idle	38/1	None Reported
Bell Tank Battery	2/19/2008	6780 Palmer Rd. Santa Maria	Shut Down 12/07/07	List in progress 30/5	None Reported
Bell Blochman Inj.	2/19/2008	6605 Palmer Road Santa Maria	Shut Down 12/07/07	See Bell Tank Battery	N/A
Zaca-Davis	2/21/2008 & 2/26/2008	5017 Zaca Station Rd Los Olivos	Shut Down 01/05/08	In progress	None Reported
Bell Compressor Fullerton	2/28/2008 3/4/2008	7320 Palmer Road, Santa Maria 6749 Cat Canyon Rd.	Active Active	List in progress N/A	N/A N/A
Jim Hopkins	3/6/2008	4000 So. Hwy 101, Santa Maria	Active	N/A	N/A
Escolle	3/11/2008	7275 Graciosa Rd., Santa Maria	Active	N/A	N/A
Battles Lease	3/13/2008	1348 Battles Road, Santa Maria	Active	N/A	N/A
Williams Holding	3/18/2008	6855 Cat Canyon Rd. Santa Maria	Idle	N/A	N/A
Bradley 5-Island	3/25/2008	3850 Telephone Rd., Santa Maria	Idle	N/A	N/A
17 Facilities				511	



County of Santa Barbara

Onshore Oil Facilities Update No. 1



Sites Inspected Since January 15, 2008	1
Deficiencies	15
Immediate Deficiencies	0

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

Facility	Date Inspected	Location Address	Status	Shut down Date	Deficiencies by Facility	Deficiencies Resolved by Facility
Richards Oil						
Wickenden Tank Facility	2/7/2008	7201 Foxen Cyn Rd., Santa Maria	Online	N/A	15	None Reported
Peshine Tank Facility		5300 Associated Rd., Casmalia		N/A		N/A
Tompkins Tank Facility		5300 Associated Rd., Casmalia		N/A		N/A
PXP						
Jesus Maria Tank Facility		VAFB, CA (West)		N/A		N/A
Lompoc Hill Tank Facility		4230 Rucker Rd., Lompoc		N/A		N/A
BreitBurn						
New love 64 Tank Facility		1555 Orcutt Hill Rd., Santa Maria		N/A		N/A
New love Steam Injection Facility		1555 Orcutt Hill Rd., Santa Maria		N/A		N/A
New love WW Injection Facility		1555 Orcutt Hill Rd., Santa Maria		N/A		N/A
New love Tank Facility 2		1555 Orcutt Hill Rd., Santa Maria		N/A		N/A
Fox Tank Facility		1555 Orcutt Hill Rd., Santa Maria		N/A		N/A
Squires Tank Facility		1555 Orcutt Hill Rd., Santa Maria		N/A		N/A
Cal Coast Tank Facility		1555 Orcutt Hill Rd., Santa Maria		N/A		N/A
Pinal Tank Facility		1555 Orcutt Hill Rd., Santa Maria		N/A		N/A
Sierra Resources						
H.P. Boyne Tank Facility		10505 Hwy 101, Los Alamos, CA		N/A		N/A
Blair Tank Facility		10505 Hwy 101, Los Alamos, CA		N/A		N/A
Soladino Tank Facility		500 Associated Rd., Casmalia		N/A		N/A



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Facility Inspection and Spill Reports

Since January 15th, 2008



	Spills	Inspections	Deficiencies	Facilities Shut-Down
Greka	20	11	511	2/5
Richards Oil	1	1	15	0
Pacific	1	0	n/a	0
Shell	1	0	n/a	0
Breitburn Energy	1	0	n/a	0



Gallons Spilled Since January 15, 2008



Number of Spills Since January 15, 2008	24
Greka Facilities	20
Santa Maria Pacific	1
Shell	1
Richards Oil	1
Breitburn Energy	1
Total:	
Gallons of Oil Spilled	12,202

Date	Operator	Lease/Facility	Site/Well	Gallons
1/15/2008	Greka	Bradley 3-Island	Tank Battery	42
1/18/2008	Santa Maria Pacific	Phoenix/Carega	Tank Battery loading	92.4
1/22/2008	Greka	Bradley 3-Island	Well #1	42
1/23/2008	Greka	Bradley 3-Island	Sand Pit	42
1/24/2008	Greka	Bradley 3-Island	Tank Battery	1
1/24/2008	Greka	UCAL	Skim Ponds	84
1/25/2008	Greka	Zaca-Davis	Tank Battery	126
1/25/2008	Greka	Zaca-Davis	Tank Battery	3
1/25/2008	Greka	Fullerton	Tank Battery	1
1/25/2008	Greka	Battles	Tank Battery	1
1/26/2008	Greka	Bradley 3-Island	Tank Battery	10
1/28/2008	Greka	Bell Tank Battery	Tank Battery	84
1/29/2008	Shell	6400-block of Palmer Rd, SM		42
1/30/2008	Greka	Bell Tank Battery	Upper Bell ponds	8820
1/30/2008	Greka	Zaca-Chamberlin	Tank Battery	84
1/30/2008	Greka	Zaca-Chamberlin	Tank Battery	42
1/31/2008	Greka	Casmalia-Morganti	Lube Oil Tank	7
1/31/2008	Greka	Chamberlin	Tank Battery	42
2/3/2008	Greka	Security Fee	Well #39	84
2/5/2008	Greka	Casmalia-Morganti	Well #25	2.5
2/5/2008	Greka	Casmalia-Morganti	Flow Line	30
2/15/2008	Richards Oil	Casmalia	Tank Farm	1680
2/20/2008	Greka	Security Fee	Well #9	84
2/20/2008	Breitburn Energy	Orcutt	Diatomitis Heavy Oil LACT Unit	756
Total No. of Gallons Spilled				12,202



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





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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



- Several onshore facility operators presented the County Fire department a proposal.
- Staff is also collecting data on responses to determine an appropriate limit and will complete a recommendation within the next few weeks.
- Staff will hold workshops to gather input into the proposal prior to bringing forth to the Board of Supervisors. Obviously, this is a very high priority.
- Balance cost recovery and disincentives to operators to report spills.



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.
- These rules were not originally intended to apply to facilities that produce oil/gas derived from onshore fields.
- However, they offer a potential model for us to apply to high-risk offenders and it will save a tremendous amount of time in developing a financial assurance rules.



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 On, Suite 500
City: Bakerfield State: CA Zip: 93309
Permittee's Phone: (909) 217-2188
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 #: (909) 217-2188



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



- Draft ordinance language has been prepared and completed.
- The ordinance circulated for 30 days in advance of the first reading to the Cities of Solvang, Buellton, and Goleta in accordance with Health and Safety Code Section 13869.7.
- In addition, the document will be circulated and discussed with the onshore oil producers.
- It is anticipated that the set hearing for the adoption of the Ordinance will be held on March 18, 2008 and the first reading will be set for April 8, 2008.





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

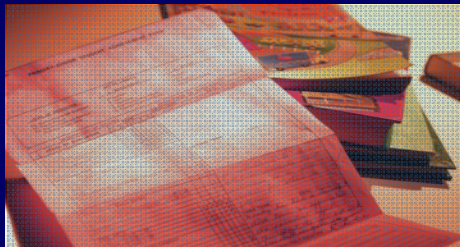




Recommendation # 5

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; 2 meetings with each group since 1/15/08.
- Next meeting will be scheduled for May 13, 2008.





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Thank You

March 11, 2008
On-Shore Oil 60-Day Update