

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
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**Agenda Number:**  
**Prepared on:** December 4, 2004  
**Department Name:** P&D  
**Department No.:** 053  
**Agenda Date:** December 14, 2004  
**Placement:** Departmental  
**Estimate Time:** 10 minutes  
**Continued Item:** NO  
**If Yes, date from:**  
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3rd Quarter 2004\BOS letter 3rd quarter.DOC

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**TO:** Board of Supervisors

**FROM:** Valentin Alexeeff, Director of Planning & Development

**STAFF CONTACT:** Steve Chase, Deputy Director, Energy Division (x2520)  
Ann Grant-McLaughlin, Planner (x8058)

**SUBJECT:** 3rd Quarter 2004 Report for Energy Platform/Facility Inspections, Audits, & Drills

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**Recommendation(s):** That the Board of Supervisors: Receive and file this informational document on inspections of offshore oil and gas platforms in the Santa Barbara Channel and Santa Maria Offshore Basin, as well as onshore and near-shore facilities that process, store and transport product.

**Alignment with Board Strategic Plan:** The recommendation aligns with Goal No. 2 - A Safe and Healthy Community in which to Live, Work, and Visit.

**Executive Summary and Discussion:** On August 26, 2003, the Board of Supervisors received a report and presentation from the Energy Division and the U.S. Minerals Management Service regarding compliance monitoring of offshore oil and gas platforms. The Board directed staff to monitor the type and frequency of platform inspections by public agencies and prepare a quarterly report. The Board also asked for information on related onshore processing and transport facilities and other large, complex facilities such as the Santa Maria Asphalt Refinery.

This report transmits inspection data and information regarding offshore platforms in federal waters of the Santa Barbara Channel and Santa Maria Offshore Basin, as well as onshore and near-shore facilities that process, store, and transport product. The inspection information is for the third quarter of 2004 (July to September). This has been a cooperative effort with the U.S. Minerals Management Service (MMS), State Lands Commission, Air Pollution Control District and local agencies that sit as the Systems Safety and Reliability Review Committee (SSRRC). The methods, results, adequacy and verification of platform inspections by the MMS are regulated by Federal standards.

**Minerals Management Service (MMS)**

During the third quarter of 2004, the MMS conducted inspections at each of the 15 platforms in federal waters off of Santa Barbara County, plus at metering stations at Las Flores Canyon and Lompoc (Exhibit 1, attached). The following table provides a comparative analysis of those inspections by type, frequency and location.

<b>TYPE OF MMS INSPECTION</b>	<b>TOTAL NUMBER OF INSPECTIONS</b>	<b>NUMBER OF FACILITIES</b>	<b>NOTES</b>
Complete Production Annual (PC/A)	4	4	A, B, C, & Hogan
Partial Production (PP-1, 2, 3, 4)	24	15	All 15 Platforms
Compliance Inspection (AU)	5	2	Henry & Hidalgo
Complete Drilling (DR)	4	3	Heritage, Hidalgo, & Hondo
Partial Drilling (DP)	19	3	Heritage, Hidalgo, & Hondo
Well Abandonment (AB)	0	0	
Well Completion (CO)	1	1	Hondo
Well Workover (WO)	2	1	Hermosa
Meter (Oil, Gas) (MT/O, G)	9	3	Hondo, Lompoc, & Las Flores
EPA (EP)	7	5	B, C, Henry, Hidalgo, & Irene
Oil Spill Exercise (OS)	3	3	B, Hidalgo, & Hondo
Accident Investigation (AI)	1	1	Heritage
Environmental (EN)	72	17	All 15 platforms, Lompoc & Las Flores facilities
Flaring (FL)	5	4	A, B, C, & Hogan
Hydrogen Sulfide (HS)	51	15	All 15 platforms
Pipeline (PL)	5	4	A, B, C, & Hogan
USCG Safety Guidelines (SG)	27	15	All 15 platforms
Site Security (SS)	9	3	Hondo, Lompoc & Las Flores
<b>TOTAL</b>	248		

The MMS conducted a variety of inspection types at each platform during the quarter. Each of the 15 platforms had at least one partial production inspection (PPI). A total of 24 partial production inspections occurred during this quarter. Four complete annual production inspections were also conducted. Inspections for platforms in north county waters consisted of Harvest having 1 day, Hermosa having 4 days, Hidalgo having 14 days, and Irene having 3 days of inspection. Inspections for the platforms off the Gaviota coast consisted of Heritage having 5 days, Harmony having 1 day, and Hondo having 10 days of inspections. Each of the platforms off Carpinteria had between 1 and 6 days of inspection. In total, 248 categories of inspection were conducted over 74 inspection days. Those inspections found 24 incidents of non-compliance. The MMS provides details and perspectives in Attachment 1.

A comparison chart of the four reported quarters is as follows:

	Number of MMS Inspections	Days of MMS Inspection	Total MMS INCs
Third Quarter 2004	248	74	24
Second Quarter 2004	193	61	33
First Quarter 2004	235	58	17
Last Quarter 2003	152	39	22

The data indicates a gradual rise in the overall frequency and type of platform inspections during 2004. This is attributable to MMS’ adjustment of staff resources to meet rising demands presented by increased drilling activities, particularly on Platforms Hondo and Heritage off of Gaviota and Platform Hidalgo off of Point Arguello. The data also suggests a somewhat corresponding decline in incidents of non-compliance.

**State Lands Commission (SLC)**

At the end of September, staff met with representatives from SLC regarding Platform Holly. As a result of that meeting, SLC staff has submitted a summary of safety inspection information related to Platform Holly for this quarter (see Attachment 2). Monthly safety inspections take two to three days and are in addition to the routine operational platform and plant checks. The monthly safety inspections entail the physical testing of 176 pressure, level, temperature or vibration sensors; 80 wellhead pressure sensors or flow control devices; 100 gas detection sensors and alarm devices; 88 fire and smoke detectors, alarms, and deluge system devices; and 10 emergency shutdown stations. Further, pressure of all well casings is recorded, oil spill response equipment is inventoried, maintenance logs and records are checked, along with evaluation of navigational aids. During this quarter, three deficiencies were found and corrected.

**Air Pollution Control District (APCD)**

Annually, the APCD conducts a Safety Inspection, Maintenance and Quality Assurance Plan Audit (SIMQAP) of Platform Holly. The audit includes review of operations, maintenance and personnel training programs. This year’s audit occurred on June 22 and 23 (see Attachment 3). No Priority 1 or 2 audit deficiencies were identified this year. However, four outstanding items remain from the 2003 Audit, two of which are Priority 2 items. APCD has an end of the year due date for one of these items and the status of the other item needs to be verified by APCD.

**Systems Safety and Reliability Review Committee (SSRRC)**

The SSRRC Quarterly Report Table (Exhibit 2, attached) provides compliance monitoring data on 10 on-shore/near-shore facilities annually inspected and audited. The SSRRC sets compliance schedules and deadlines and reviews progress at monthly meetings. A summary of deficiencies is as follows:

FACILITY	IDENTIFIED PRIORITY 1 AUDIT ITEMS	IDENTIFIED PRIORITY 2 AUDIT ITEMS	OUTSTANDING PRIORITY 1 DEFICIENCIES	OUTSTANDING PRIORITY 2 DEFICIENCIES
ConocoPhillips – Pipelines & Pump Station	3	6	0	0
E & B - Cuyama Gas Plant	6	8	0	0

<b>FACILITY (continued)</b>	<b>IDENTIFIED PRIORITY 1 AUDIT ITEMS</b>	<b>IDENTIFIED PRIORITY 2 AUDIT ITEMS</b>	<b>OUTSTANDING PRIORITY 1 DEFICIENCIES</b>	<b>OUTSTANDING PRIORITY 2 DEFICIENCIES</b>
ExxonMobil Las Flores Canyon Processing Plant	1	0	0	0
Greka Energy – Santa Maria Asphalt Refinery	7	1	6	1
GTC Gaviota Oil Storage Facility	1	1	0	0
POPCO Gas Plant @ Las Flores Canyon	0	0	0	0
PXP - Gaviota Processing Plant	0	3	0	2
PXP - Lompoc Processing Plant	2	14	1	0
Venoco Ellwood Marine Terminal	0	0	0	0
Venoco Ellwood Onshore Processing Facility	0	2	0	2
<b>TOTALS</b>	<b>20</b>	<b>35</b>	<b>7</b>	<b>5</b>

Four annual audits (PXP-Lompoc Processing Plant, PXP-Gaviota Processing Plant, Venoco Ellwood Marine Terminal and Venoco Ellwood Onshore Processing Facility) occurred during this quarter. For all ten facilities, a total of 7 Priority 1 and 5 Priority 2 items are outstanding and the SSRRC monitors the progress of these items at monthly meetings. Three SSRRC annual audits are currently underway or in the planning stages and will be reported in the 4<sup>th</sup> quarter of 2004 report. The comparison chart of the four reported quarters is as follows:

	<b>Priority 1 Audit Items</b>	<b>Priority 2 Audit Items</b>	<b>Priority 1 Outstanding</b>	<b>Priority 2 Outstanding</b>
Third Quarter 2004	20	35	7	5
Second Quarter 2004	34	51	8	6
First Quarter 2004	37	61	6	11
Fourth Quarter 2003	37	61	11	29

### **County Office of Emergency Services (OES)**

The County, through the auspices of the Fire Department - Office of Emergency Services, provides an additional layer of safety/risk review and environmental protection. OES conducts emergency response drills at each of the facilities, at least annually, and more often if warranted. The OES table (Exhibit 3, attached) provides information on the Emergency Response Exercise conducted this quarter at PXP – Lompoc Processing Plant. The information adds to the picture of the day-to-day oversight and coordination among County, State and Federal agencies charged with the responsibility of regulating these large, complex oil and gas facilities.

### **Concluding Remarks**

The quarterly inspection data was reviewed by the Systems Safety and Reliability Review Committee at its November public meeting. The inspection data is also posted on the Energy Division website at [www.countyofsb.org/energy](http://www.countyofsb.org/energy), in the “Announcements” page.

**Mandates and Service Levels:** None

**Fiscal and Facilities Impacts:** Expenses incurred in analyzing and preparing this report are budgeted in Fund 0001, Program 5000, General Administration as shown on page D-300 of the FY 2004-2005 Budget.

**Special Instructions:** None

**Concurrence:** N/A

### **Exhibits:**

Quarterly Report, Tables of Inspections, Audits, and Drills for 3<sup>rd</sup> Quarter 2004

1. MMS Inspections, Drills and Audits
2. County of Santa Barbara SSRRC Inspections and Audits
3. County of Santa Barbara Office of Emergency Services

### **Attachments:**

1. Letter dated October 20, 2004 from U.S. Minerals Management Service
2. Memorandum dated October 22, 2004 related to State Lands Commission inspection submittal
3. Letter dated August 5, 2004 from Santa Barbara County Air Pollution Control District