

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
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**Agenda Number:**  
**Prepared on:** June 13, 2005  
**Department Name:** P&D  
**Department No.:** 053  
**Agenda Date:** July 19, 2005  
**Placement:** Departmental  
**Estimate Time:** 15 minutes  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Dianne Meester, Assistant Director of Planning and Development

**STAFF CONTACT:** Doug Anthony, Interim Deputy Director, Energy Division (x2046)  
Ann Grant-McLaughlin, Planner (x8058)

**SUBJECT:** 1<sup>st</sup> Quarter 2005 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, oil piers in the state tidelands, onshore and near-shore facilities that process, store and transport product, as well as certain other energy plants.

**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 oil and gas plants actively regulated by the County's Systems Safety and Reliability Review Committee.

This report transmits inspection data and information regarding offshore platforms in federal waters of the Santa Barbara Channel and Santa Maria Offshore Basin, Platform Holly and oil piers in the state tidelands, onshore and near-shore facilities that process, store, and transport product, the Santa Maria Asphalt Refinery and the E&B Resources gas plant in Cuyama. Please refer to Attachment 1, a map of oil and gas facilities throughout the county, as you read further. The inspection report covers the period of January through March 2005. The information gathering and analysis were conducted in cooperation with the U.S. Minerals Management Service (MMS), State Lands Commission, and local agencies that sit as the Systems Safety and Reliability Review Committee (SSRRC).

**Minerals Management Service (MMS)**

During the first quarter of 2005, the MMS conducted inspections at each of the 15 platforms in federal waters off of Santa Barbara County, plus four platforms off the coast of Ventura County. MMS is also responsible for performing inspections at metering stations at Gaviota, Las Flores, and Lompoc in Santa Barbara County and La Conchita, Mandalay, and Rincon in Ventura County. The MMS Quarterly Inspection Table (Attachment 2) provides inspection details for each facility. The following table provides a comparative analysis of those inspections by type, frequency and location. Please refer to page 6 of Attachment 2 for a description of the different types of inspections conducted by the MMS.

TYPE OF MMS INSPECTION	TOTAL NUMBER OF INSPECTIONS	NUMBER OF FACILITIES	LOCATIONS
Complete Production Annual (PC/A)	4	4	Platforms Habitat, Hermosa, Irene, & Gilda
Partial Production (PP-1, 2, 3, 4)	20	19	All 19 Platforms
Compliance Inspection (AU)	5	3	Platforms Hillhouse and Hogan & La Conchita
Complete Drilling (DR)	1	1	Platform Hidalgo
Partial Drilling (DP)	6	2	Platforms Heritage & Hilalgo
Well Abandonment (AB)	0	0	
Well Completion (CO)	2	2	Platforms Heritage & Hilalgo
Well Workover (WO)	7	4	Platforms Harvest, Hermosa, Hidalgo, & Irene
Meter (Oil, Gas) (MT/O, G)	10	4	Gaviota, Las Flores, Mandalay, & Rincon
EPA (EP)	9	8	Platforms A, B, Harvest, Henry, Hermosa, Hillhouse, Hogan, & Gina
Oil Spill Exercise (OS)	4	4	Platforms Harvest, Henry, Hogan, & Gail
Accident Investigation (AI)	1	1	Platform Hillhouse
Environmental (EN)	61	23	All 19 Platforms, plus Gaviota, Las Flores, Mandalay, & Rincon
Flaring (FL)	4	4	Platforms Habitat, Hermosa, Irene, & Gilda
Hydrogen Sulfide (HS)	38	19	All 19 Platforms
Pipeline (PL)	23	19	All 19 Platforms
USCG Safety Guidelines (SG)	24	19	All 19 Platforms
Site Security (SS)	10	4	Gaviota, Las Flores, Mandalay, & Rincon
<b>Total</b>	<b>229</b>		

Teams of MMS petroleum and structural engineers, environmental scientists and compliance monitors conducted 18 types of inspections. All platforms in the Santa Barbara Channel received at least one partial production inspection that covered a compliance list of 100+ items. Four complete annual production inspections were also conducted, covering upwards of 300+ items each. By area, inspections for platforms in north county waters entailed 7 days at Hidalgo, including review of its active drilling program, 6 days of inspection at Harvest, 3 days each at Hermosa and Irene. Inspections of platforms off of Gaviota included 2 days at Heritage, as well as Harmony and Hondo each having 1 day. Each of the older platforms off of Carpinteria was inspected over 1 to 6 days. This quarterly report includes, for the first time, inspection data for the platforms off of northern Ventura County. This information is included to provided a more comprehensive view of the Channel. In total, 229 categories of inspection were conducted over 61 inspection days. Fourteen incidents of non-compliance were found, including faulty safety valves, Coast Guard form not maintained, no Spill Management Team Tabletop exercise conducted in 2004, operator failing to get approval to flare gas in excess of limitations (La Conchita), and exceeding weight limit of the Helodeck.

Comparative data for this quarter and the previous three quarters is as follows:

	<b>TYPES OF MMS INSPECTION</b>	<b>DAYS OF INSPECTION</b>	<b>INCIDENTS OF NON-COMPLIANCE</b>
First Quarter 2005	229 (Includes Ventura County facilities)	61	14
Fourth Quarter 2004	190	50	21
Third Quarter 2004	248	74	24
Second Quarter 2004	193	61	33

The data indicates a consistent level of type and frequency of platform inspections. This is attributable to MMS’ adjustment of staff resources to meet rising demands presented by increased drilling activities, particularly on Platform Heritage off of Gaviota and Platform Hidalgo off of Point Arguello. The data also shows a bit of a reduction in the number of incidents of non-compliance.

**State Lands Commission (SLC)**

The Mineral Resources Management Division of the State Lands Commission conducts monthly safety inspections of Platform Holly and two oil piers off of Ellwood. California State Lands Inspectors conducted safety inspections on Platform Holly during each month of the first quarter. Each inspection normally takes two to three days to complete, and is conducted in addition to the routine operational platform and plant checks made by the inspectors. 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. In addition the pressure of all well casings are recorded, oil spill response equipment is inventoried, required maintenance logs and records are checked, and proper functioning of navigational aids is confirmed.

No deficiencies were found during these inspections. Maintenance was required on sixteen devices and calibration was required on three devices during the inspections. For the first quarter of 2005, an average of 6.3 devices per month were found in need of maintenance or calibration. This reflects a higher level of maintenance compared to calendar year 2004, where an average of 3.2 devices per month required maintenance during inspections. This first quarter average is apt to be smoothed as the year progresses.

The subsea oil and gas pipelines from Holly were internally inspected using a smart pig in March. Results of the inspections indicate that the integrity of both pipelines is adequate for continued service for another year.

Casing pressures at both of the 421 pier wells were monitored weekly, and remain static. No new storm damage to the caisson structures was noted.

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

The SSRRC is a local interagency body that identifies and requires correction of equipment and operational hazards at large, complex energy facilities. It exercises authority delegated by the Board of Supervisors through the zoning ordinance and final permit actions. It is charged with responsibility to

provide technical review and comments on such items as process flow diagrams, piping and instrumentation diagrams, flare stack sizing, relief valves, placement of gas detectors, system redundancy, vapor recovery, leak detection systems, operating plans and emergency response systems. SSRRC also reviews and comments on preliminary systems safety analysis included in CEQA documents. SSRRC membership includes representatives of the Building and Safety Division, Fire Department, Office of Emergency Services, Air Pollution Control District and the Energy Division. SSRRC meets monthly and operates under the open meeting protocols of the Ralph M. Brown Act.

The SSRRC Quarterly Report Table (Attachment 3) provides compliance monitoring data on 10 facilities annually inspected and audited. The SSRRC sets compliance schedules and deadlines and it tracks and reports-out at the monthly meetings and through this quarterly Board letter. A summary of compliance deficiencies for the first quarter of 2005 is as follows:

<b>FACILITY</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>
ConocoPhillips – Pipelines & Pump Station	0	0	0	0
E & B - Cuyama Gas Plant	5	2	0	0
ExxonMobil Las Flores Processing Plant	0	0	0	0
Greka Energy – Santa Maria Asphalt Refinery	6	1	3	1
GTC Gaviota Oil Storage Facility	0	0	0	0
POPCO Gas Plant @ Las Flores Canyon	0	0	0	0
PXP - Gaviota Oil & Heating Facility	0	3	0	0
PXP - Lompoc Processing Plant	2	14	1	0
Venoco Ellwood Marine Terminal	0	0	0	0
Venoco Ellwood Onshore Processing Facility	0	2	0	0
<b>TOTALS</b>	<b>13</b>	<b>22</b>	<b>4</b>	<b>1</b>

During the first quarter, two annual inspections/audits were conducted at the ExxonMobil Las Flores Processing Plant and POPCO Gas Plant at Las Flores Canyon. By the end of the quarter, four Priority 1 and one Priority 2 items were found to be out of compliance, awaiting review or final sign-off.

Comparative data for this quarter and the previous three quarters is as follows:

	<b>PRIORITY 1 ITEMS</b>	<b>PRIORITY 2 ITEMS</b>	<b>PRIORITY 1 OUTSTANDING</b>	<b>PRIORITY 2 OUTSTANDING</b>
First Quarter 2005	13	22	4	1
Fourth Quarter 2004	14	22	6	3
Third Quarter 2004	20	35	7	5
Second Quarter 2004	34	51	8	6

During the upcoming quarter two audits are anticipated, one in April for Greka – Santa Maria Asphalt Refinery and in June or July for Venoco – Ellwood pipelines, plant & marine terminal.

### **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. This information adds to the picture of day-to-day oversight and coordination among County, state and federal agencies. OES conducts emergency response drills at each energy facility, at least annually, and more often if warranted (Attachment 4). During the quarter, one Explosion & Fire drill occurred at E & B - Cuyama Gas Plant and a Tank Fire drill was conducted at Greka. Both facilities passed Emergency Response Drills.

### **Concluding Remarks**

The quarterly inspection data was reviewed by the Systems Safety and Reliability Review Committee at its June 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

Attachments:

1. Santa Barbara County Oil & Gas Facilities Map
2. Mineral Management Service’s Table of Inspections, Drills and Audits
3. County of Santa Barbara’s SSRRC Table of Inspections and Audits
4. County of Santa Barbara’s Office of Emergency Services Table of Drills



Prepared By MMS on April 18, 2005  
**Inspections, Drills, Audits**  
**1<sup>st</sup> Quarter 2005 (January – March)**

FACILITY	DATE	TYPE OF INSPECTION	INCIDENT OF NON-COMPLIANCE	COMMENTS
A	03/06/05	PP1, EN, HS, PL, SG		
A	03/14/05	EP, EN		
B	01/05/05	PP1, EN, HS, PL, SG		
B	02/08/05	EP, EN		
C	01/04/05	PP1, EN, HS, PL, SG		
HABITAT	01/24/05	PC/A, EN, FL, HS, PL, SG		
HABITAT	03/14/05	PP1, EN, HS, PL, SG		
HARMONY	02/24/05	PP1, EN, HS, PL, SG		
HARVEST	01/18/05	EP, EN		
HARVEST	01/27/05	WO, EN, HS		
HARVEST	02/19/05	WO, EN, HS		
HARVEST	03/17/05	OS, EN		
HARVEST	03/23/05	PP1, EN, HS, PL, SG		
HARVEST	03/29/05	WO, EN, HS		
HENRY	03/08/05	OS, EN		
HENRY	03/14/05	EP, EN		
HENRY	03/23/05	PP1, EN, HS, PL, SG		
HERITAGE	02/24/05	PP1, EN, HS, PL, SG		
HERITAGE	03/25/05	DP, EN, CO, HS		
HERMOSA	01/18/05	EP, EN		
HERMOSA	02/03/05	PP1, EN, HS, SG		

Inspection Type Code Legend (MMS)

PC/A	Complete Production Annual	CO	Well Completion	EN	Environmental
PP-1,2,3,4	Partial Production	WO	Well Workover	FL	Flaring
AU	Compliance Inspection	MT/O, G	Meter (Oil, Gas)	HS	Hydrogen Sulfide
DR	Complete Drilling	EP	EPA	PL	Pipeline
DP	Partial Drilling	OS	Oil Spill Exercise	SG	USCG Safety Guidelines
AB	Well Abandonment	AI	Accident Investigation	SS	Site Security

FACILITY	DATE	TYPE OF INSPECTION	INCIDENT OF NON-COMPLIANCE	COMMENTS
HERMOSA	02/03/05	WO, EN, HS		
HERMOSA	02/08/05	WO, EN, HS		
HERMOSA	02/08/05	PC/A, EN, FL, HS, PL, SG	1	P-280 (C) Surface Control Subsurface Safety Valve on well B-14 exceeded the allowable gas leakage rate. (Corrected on 02/22/05)
HIDALGO	01/02/05	DP, EN, CO, HS		
HIDALGO	01/18/05	DR, EN, HS		
HIDALGO	01/25/05	WO, EN, HS		
HIDALGO	01/31/05	DP, EN, HS		
HIDALGO	02/10/05	DP, EN, HS		
HIDALGO	02/19/05	DP, EN, HS		
HIDALGO	03/13/05	PP1, EN, HS, PL, SG		
HIDALGO	03/13/05	DP, EN, HS		
HILLHOUSE	01/11/05	PP1, EN, HS, PL, SG		
HILLHOUSE	01/11/05	AI		Investigated a fire on rented 1000kw generator
HILLHOUSE	01/25/05	AU		Focused Facility Review (FFR) Inspection
HILLHOUSE	02/08/05	EP, EN		
HILLHOUSE	03/05/05	PP1, EN, HS, PL, SG		
HILLHOUSE	03/05/05	AU		Focused Facility Review (FFR) Observation follow-up
HILLHOUSE	03/14/05	EP, EN		
HOGAN	01/12/05	(N/A)	1	NOTE; No insp. was performed. An office INC was issued. E-833 (W) No Spill Management Team Tabletop exercise was conducted in 2004 (To be corrected by April 15, 2005)
HOGAN	02/01/05	AU		Checked Rig prior to allowing re-drill of wells
HOGAN	02/08/05	EP, EN		

## Inspection Type Code Legend (MMS)

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PP-1,2,3,4	Partial Production	WO	Well Workover	FL	Flaring
AU	Compliance Inspection	MT/O, G	Meter (Oil, Gas)	HS	Hydrogen Sulfide
DR	Complete Drilling	EP	EPA	PL	Pipeline
DP	Partial Drilling	OS	Oil Spill Exercise	SG	USCG Safety Guidelines
AB	Well Abandonment	AI	Accident Investigation	SS	Site Security

FACILITY	DATE	TYPE OF INSPECTION	INCIDENT OF NON-COMPLIANCE	COMMENTS
HOGAN	02/09/05	AU	1	G-110 (C) Operator exceeded the weight limit of the Helodeck by using it for storage, posing an immediate danger to personnel & equipment, (Corrected on 02/09/05)
HOGAN	03/16/05	OS, EN		
HOGAN	03/24/05	PP1, EN, HS, PL, SG	2	P-433 (C) Pressure Safety Low sensor on Prod. Separator failed to activate as required. (Corrected on 03/24/05) Z-100 (W) Coast Guard form 5432 was not maintained in an appropriate place on facility & form for 2004 not in file – may not have been done. (Corrected on 03/24/05)
HONDO	02/04/05	PP1, EN, HS, PL, SG		
HOUCHIN	01/12/05	(N/A)	1	NOTE; No insp. was performed. An office INC was issued. E-833 (W) No Spill Management Team Tabletop exercise was conducted in 2004 (To be corrected by April 15, 2005)
HOUCHIN	03/25/05	PP1, EN, HS, PL, SG		
IRENE	01/01/05	PC/A, EN, FL, HS, PL, SG	4	P-102 (C) Shutdown Valve-300 did not activate upon pressure loss. (Corrected on 01/06/05) P-402 (C) Pressure Safety High sensor-A8C did not function properly. (Corrected on 01/06/05) P-402 (C) Pressure Safety High sensor-A21 did not function. (Corrected on 01/06/05) P-404 (C) Pressure Safety Low sensor-A13C did not function properly. (Corrected on 01/06/05)

## Inspection Type Code Legend (MMS)

PC/A	Complete Production Annual	CO	Well Completion	EN	Environmental
PP-1,2,3,4	Partial Production	WO	Well Workover	FL	Flaring
AU	Compliance Inspection	MT/O, G	Meter (Oil, Gas)	HS	Hydrogen Sulfide
DR	Complete Drilling	EP	EPA	PL	Pipeline
DP	Partial Drilling	OS	Oil Spill Exercise	SG	USCG Safety Guidelines
AB	Well Abandonment	AI	Accident Investigation	SS	Site Security



FACILITY	DATE	TYPE OF INSPECTION	INCIDENT OF NON-COMPLIANCE	COMMENTS
IRENE	02/10/05	PP1, EN, HS, PL, SG		
IRENE	03/12/05	WO, EN, HS		

GAIL	01/13/05	PP1, EN, HS, PL, SG		
GAIL	01/19/05	OS, EN		
GILDA	01/13/05	PP1, EN, HS, PL, SG		
GILDA	02/28/05	PC/A, EN, FL, HS, PL, SG	1	P-402 © Pressure Safety High sensor on well S-89 did not actuate as required. (Corrected on 03/07/05)
GINA	01/08/05	PP1, EN, HS, PL, SG		
GINA	02/15/05	EP, EN		
GRACE	01/05/05	PP1, EN, HS, PL, SG		

GAVIOTA	03/25/05	MT/O, EN, SS		
LA CONCHITA	02/07/05	AU	1	P-107 (W) Operator failed to get approval from Regional Supervisor to flare gas past the 48 continuous hrs & 144 cumulative hrs during the months of Jan. & Feb. 2005. (Corrected on 02/07/05)
LAS FLORES	03/21/05	MT/G, EN, SS		
LAS FLORES	03/21/05	MT/O, EN, SS		
LAS FLORES	03/23/05	MT/G, EN, SS		
LAS FLORES	03/23/05	MT/G, EN, SS		
LAS FLORES	03/31/05	MT/O, EN, SS		
MANDALAY	03/16/05	MT/O, EN, SS		

## Inspection Type Code Legend (MMS)

PC/A	Complete Production Annual	CO	Well Completion	EN	Environmental
PP-1,2,3,4	Partial Production	WO	Well Workover	FL	Flaring
AU	Compliance Inspection	MT/O, G	Meter (Oil, Gas)	HS	Hydrogen Sulfide
DR	Complete Drilling	EP	EPA	PL	Pipeline
DP	Partial Drilling	OS	Oil Spill Exercise	SG	USCG Safety Guidelines
AB	Well Abandonment	AI	Accident Investigation	SS	Site Security

FACILITY	DATE	TYPE OF INSPECTION	INCIDENT OF NON-COMPLIANCE	COMMENTS
MANDALAY	03/25/05	MT/G, EN, SS		
RINCON	03/16/05	MT/O, EN, SS	2	M-120 (W) Meter #1 was not proved in Feb. due to problems but was done the following week of Mar. 4, 2005. (Corrected on 03/16/05) M-120 (W) Meter #4 was not proved in Feb. due to problems but was done the following week of Mar. 4, 2005. (Corrected on 03/16/05)
RINCON	03/25/05	MT/G, EN, SS		

## Inspection Type Code Legend (MMS)

PC/A	Complete Production Annual	CO	Well Completion	EN	Environmental
PP-1,2,3,4	Partial Production	WO	Well Workover	FL	Flaring
AU	Compliance Inspection	MT/O, G	Meter (Oil, Gas)	HS	Hydrogen Sulfide
DR	Complete Drilling	EP	EPA	PL	Pipeline
DP	Partial Drilling	OS	Oil Spill Exercise	SG	USCG Safety Guidelines
AB	Well Abandonment	AI	Accident Investigation	SS	Site Security

## DEFINITIONS OF TYPES OF INSPECTIONS

DR - Drilling Inspections Complete: Drilling inspections will be conducted on each rig at least once per quarter by the inspection personnel. These inspections will include all applicable general, drilling, pollution, and hydrogen sulfide PINC's from the National List.

DP - Partial Inspections: Partial inspections will be conducted on each drilling rig at least once per month by the inspection personnel. These drilling inspections will include those PINC's for which the Team Leader/District Manager's Designee has determined that compliance will be most likely to deviate between complete inspections, with special attention given to PINC's related to well control and procedures that have proved troublesome at the facility. These inspections will include at least 25% of the applicable PINC's.

PC/A - Production Inspection: Complete (announced) production inspections will be conducted on each production facility annually by the inspection personnel. These inspections will include 100% of the applicable production, general, pollution, and hydrogen sulfide PINC's for the National List.

PP-1,2,3,4 - Partial Production Inspection: Partial (unannounced) production inspections will be conducted on each facility at least quarterly by the inspection personnel. Special attention should be given to devices and procedures that have proven troublesome at the facility or other facilities in the Region. These inspections will include at least 25% of the applicable PINC's.

CO - Well Completion Inspections: Complete well completion inspections will be conducted on each unit conducting completion operations, at least once per month by the Inspectors(s) using all applicable PINC's. Well completion inspections will be conducted with partial production inspections, when possible.

WO - Workover Inspections: Complete workover inspections will be conducted on each workover rig at least once a month by the inspection personnel using all applicable PINC's. Workover inspections will be conducted with partial production inspections when possible.

PL - Pipeline Inspections: Complete (announced) pipeline inspections will be conducted on each pipeline in conjunction with the associated annual, complete facility inspection by the inspection personnel and will cover 100% of the pipeline PINC's.

Partial (unannounced) pipeline inspections will be conducted on each pipeline in conjunction with the associated facility partial inspection by the inspection personnel and will cover 25% of the pipeline PINC's per inspection.

Special pipeline inspections for lay barge operations, hydrostatic testing, leaks, damage, repair, etc. will be assigned by the DM as necessary.

**Note:** PINC's – "Potential Incident of Non-Compliance"

MT/O,G - Production Measurement:

## Production measurement, oil:

- At least 10% of all sales meter proving at each sales site will be witnessed annually using all applicable PINC's. Witnessing should occur in the same month for which the oil sales data are verified. Sampling methods for witnessing oil meter calibrations will include meter sites with high and low production volumes, with emphasis on those meters that register the largest volumes.
- If schedule permits, meter proving at some offshore platforms will be conducted in conjunction with partial production inspections.
- Each individual meter proving will be counted as a separate inspection for reporting purposes. Where possible, witnessing/inspection of more than one meter proving in a day will be scheduled.
- District engineers and, when needed, OREP personnel will witness the sales meter provings. Inspectors may also assist in witnessing the sales meter provings.

## Production measurement, gas:

- At least 10% of all sales meter calibrations at each sales site will be witnessed annually using all applicable PINC's. Witnessing should occur in the same month for which the gas sales data are verified. Sampling methods for witnessing gas meter calibrations will include meter sites with high and low production volumes, with emphasis on those meters that register the largest volumes.
- If schedule permits, sales meter calibration at some offshore platforms will be conducted in conjunction with partial production inspections.
- Each individual meter calibration will be counted as a separate inspection for reporting purposes. When possible, witnessing/inspection of more than one meter proving in a day will be scheduled.
- District engineers and, when needed, OREP personnel will witness the sales meter calibrations. Inspectors may also assist in witnessing the sales meter calibrations.

SS - Site Security: Complete site security inspections will be conducted on each royalty measurement site in conjunction with calibration or meter proving witnessing. These inspections will cover 100% of the applicable PINC's. For reporting purposes, one site security inspection will be counted for each facility regardless of the number of meters located at the site.

FL - Gas Flaring: Inspections will be conducted by the inspection personnel to ensure operator adherence to gas flaring regulations at 30 CFR 250.1105, and any conditions of flaring approval. The inspections will cover all applicable PINC's and are included as secondary inspections during complete and partial production inspections.

**Note:** PINC's – "Potential Incident of Non-Compliance"

AB - Abandonment, Decommissioning, and Site Clearance: Inspections will be conducted for abandonment, decommissioning, and site clearance operations. These inspections will include all applicable PINC's and project-specific inspection criteria.

EN - Environmental Inspections: Complete or partial pollution prevention inspections will be conducted in conjunction with complete or partial drilling, production, and other inspections. Inspections will cover 100% of applicable PINC's.

Other special/environmental inspections related to marine mammals, fisheries and wildlife concerns, and related environmental concerns will be conducted by POCSR staff.

OS - Oil spill Exercises: Complete (unannounced) pollution prevention inspections and spill drills (including deployment and operation of all primary response equipment, such as booms and skimmers), involving cooperative (e.g., Clean Seas or Clean Coastal Waters) spill response vessels, alternating among the platforms in a mini-cooperative, will be conducted for all mini-cooperatives by the inspectors(s) or other professional staff. Each platform in a mini-cooperative must be involved in the above inspections and drills at least once a year. Inspections will cover 100% of applicable PINC's.

AU - Project Compliance Inspections: At least annually all facilities will be inspected by POCSR staff to determine operator compliance with lease stipulations, approved applications, and approved plans. Inspections will cover 100% of applicable PINC's. Special compliance inspections will be conducted by POCSR personnel to determine project compliance during new pipe laying, facility construction or other new projects.

Other special/environmental inspections related to marine mammals, fisheries and wildlife concerns, and related environmental concerns will be conducted by POCSR staff.

#### SG - United States Coast Guard/MMS MOU Inspections

All facilities are inspected annually for adherence to USCG regulations and requirements. Inspections will cover 100% of the "Z" PINC's.

HS - Hydrogen Flaring: Hydrogen flaring inspections will be conducted by inspection personnel to ensure operator adherence to hydrogen flaring regulations at 30 CFR 250.1105, and any conditions of flaring approval.

EP - Environmental Protection Agency: Environmental protection inspections will be conducted annually as required by the EPA. Water and/or mud samples will be taken for compliance with the facilities National Pollution Discharge Elimination System (NPDES).

AI - Accident Investigation: Accident investigations will be conducted by Engineers and Environmental Scientists on accidents resulting in pollution, fire, blowouts, injury, death, or environmental damage.

**Note:** PINC's - "Potential Incident of Non-Compliance"

# Quarterly Report

Safety Audits Reported by County of Santa Barbara  
Systems Safety & Reliability Review Committee (SSRRC) as of April 7, 2005

1st Quarter 2005 (January - March 2005)

FACILITY	AUDIT DATE	PRIORITY 1 & 2 DEFICIENCY ITEMS					COMMENTS
		Priority	Total	Completed	Pending	Overdue	
ConocoPhillips - Pipelines & Pump Stations	11/3/04	Priority	Total	Completed	Pending	Overdue	An Annual audit was performed on November 3, 2004. No Priority 1 or 2 items were found.
		1	0	0	0	0	
		2	0	0	0	0	
E & B – Cuyama Gas Plant	10/5/04	Priority	Total	Completed	Pending	Overdue	An annual audit was performed on October 5, 2004. Five Priority 1 items and 2 Priority 2 items were identified. The SSRRC has accepted all items as complete.
		1	5	5	0	0	
		2	2	2	0	0	
ExxonMobil Las Flores Processing Plant	3/1/05	Priority	Total	Completed	Pending	Overdue	An Annual audit was performed on March 1, 2005. No Priority 1 or 2 items were found.
		1	0	0	0	0	
		2	0	0	0	0	
Greka - Santa Maria Asphalt Refinery	5/27/04 Overdue: audit date 10/19/00	Priority	Total	Completed	Pending	Overdue	The May 2004 audit resulted in 3 Priority 1 and 1 Priority 2 deficiencies. The remaining overdue Priority 1 items include tank integrity inspections, PRV testing, and re-validation of Process Hazard Analysis. The SSRRC has set dates for completion of all outstanding priorities and reviews the project's progress at monthly meetings.
		1	6	3	0	3	
		2	1	0	1	0	
GTC – Gaviota Oil Storage Facility	11/9/04	Priority	Total	Completed	Pending	Overdue	An annual audit was performed on November 9, 2004. No Priority 1 or 2 items were found.
		1	0	0	0	0	
		2	0	0	0	0	

FACILITY	AUDIT DATE	PRIORITY 1 & 2 DEFICIENCY ITEMS					COMMENTS
		Priority	Total	Completed	Pending	Overdue	
POPCO Gas Plant @ Las Flores Canyon	3/1/05	Priority	Total	Completed	Pending	Overdue	An audit was performed on March 1, 2005. No Priority 1 or 2 items were found.
		1	0	0	0	0	
		2	0	0	0	0	
PXP – Gaviota Oil & Heating Facility	8/17/04	Priority	Total	Completed	Pending	Overdue	An August 2004 audit resulted in no Priority 1 items being identified and 3 Priority 2 deficiencies. All Priority 2 items have been accepted as complete by the SSRRC.
		1	0	0	0	0	
		2	3	3	0	0	
PXP - Lompoc Processing Plant	7/13/04	Priority	Total	Completed	Pending	Overdue	An audit was performed on July 13, 2004. The SSRRC has accepted 1 Priority 1 and all Priority 2 items. The remaining Priority 1 item has been resolved, as PXP has agreed to install an impervious liner. However, work to complete this item has been held up due to rainy conditions and the need to allow the soil to dry.
		1	2	1	1	0	
		2	14	14	0	0	
Venoco Ellwood Marine Terminal	6/15/04	Priority	Total	Completed	Pending	Overdue	An audit was performed on June 15, 2004. No Priority 1 or 2 items were found.
		1	0	0	0	0	
		2	0	0	0	0	
Venoco Ellwood Onshore Processing Facility	6/30/04 & 7/1/04	Priority	Total	Completed	Pending	Overdue	An audit was performed on June 30 and July 1, 2004. No Priority 1 items were found. All Priority 2 items have been accepted as complete by the SSRRC.
		1	0	0	0	0	
		2	2	2	0	0	

NOTES:

Priority 1 - Significant potential for serious: personal injury, negative environmental impact, property damage or hazardous material release.

Priority 2 - Moderate potential for serious: personal injury, negative environmental impact, property damage or hazardous material release.



# Quarterly Report

## Emergency Response Drills

Reported by County of Santa Barbara Office of Emergency Services (OES)  
1<sup>st</sup> Quarter 2005 (January - March)

FACILITY	DATE	TYPE	RANKING	COMMENTS
E&B Natural Resources – Plant #10	February 18, 2005	Explosion & Fire	Pass	<p><b><u>Highlights:</u></b></p> <ul style="list-style-type: none"> <li>• The plant foreman was very cooperative and helpful</li> <li>• Personnel demonstrated a high level of knowledge concerning plant operations.</li> <li>• The facility responded well to wild cards that were introduced during the drill.</li> <li>• Excellent communication between Fire Department and plant personnel</li> <li>• The knowledge gained from this exercise will enhance future operations.</li> </ul> <p><b><u>Recommendations:</u></b></p> <ol style="list-style-type: none"> <li>1. Mark concrete structure containing valve for Fire Pump System.</li> <li>2. Evaluate possibly placing pavement markers to aid a single individual in placement of fire apparatus in the event of Fire Pump failure.</li> <li>3. Ensure ICS Vests are in an easily and conveniently accessible location.</li> </ol>

<p>Greka – Santa Maria Refining Company</p>	<p>March 22<sup>nd</sup>, 2005</p>	<p>Tank Fire</p>	<p>Pass</p>	<p><b><u>Highlights:</u></b></p> <ul style="list-style-type: none"> <li>• Positive attitudes during inclement weather.</li> <li>• Excellent technical skill and support.</li> <li>• Good integration and use of technical advisors.</li> <li>• The knowledge gained from this exercise will enhance future operations.</li> </ul> <p><b><u>Recommendations:</u></b></p> <ol style="list-style-type: none"> <li>1. Hold a class on the use of the Emergency Response Plan (ERP).</li> <li>2. Have enough radios to equip all essential plant staff as well as extra for emergency responders.</li> <li>3. Upgrade office to serve as a better Incident Command Post (ICP).</li> <li>4. Ensure maintenance staff has thorough knowledge of reporting procedures concerning the status of the fire pump.</li> <li>5. Develop a fire foam implementation plan.</li> <li>6. Update ERP notification lists.</li> </ol>
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