

NOTICE OF EXEMPTION

TO: Santa Barbara County Clerk of the Board of Supervisors

FROM: General Services Department

The project or activity identified below is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

APN: N/A **Case No.:** Real Property File No. 003657

Location: Submerged Lands offshore of Carpinteria

Project Title: Second Amendment to Lease Agreement with Ellwood Pipeline Inc.

Project Applicant: Ellwood Pipeline Inc.

Project Description: The proposed action is to extend the existing Lease Agreement between the County and Ellwood Pipeline, Inc. for a short-term interim renewal period of eighteen months, to allow the continued use of two existing submerged oil and gas pipelines operated by Ellwood Pipeline, Inc. located in County submerged lands offshore from the City of Carpinteria, the same facilities operated under the same parameters of the existing lease.

Name of Public Agency Approving Project: County of Santa Barbara

Name of Person or Agency Carrying Out Project: County of Santa Barbara

Exempt Status:

- Ministerial
- Statutory Exemption [Section 15261(b)], [Section 15061(b)(3)]
- Categorical Exemption [Section 15301]
- Emergency Project
- Declared Emergency

Cite specific CEQA and/or CEQA Guideline Section: 15261(b) ONGOING PROJECT

Reasons to support exemption findings: A private project shall be exempt from CEQA if the project received approval of a lease, license, certificate, permit, or other entitlement for use from a public agency prior to April 5, 1973. Here, the Lease between Ellwood Pipeline, Inc. (as successor in interest to Standard Oil Company of California) and the County of Santa Barbara was executed on September 27, 1965. It is a private project, allowing Ellwood Pipeline Inc. to operate private facilities on submerged lands held in public trust by the County. Therefore, the short-term extension of the existing Lease Agreement for a period of eighteen months, to allow the continued use of the two existing submerged oil and gas pipelines in submerged lands offshore of Carpinteria, the same facilities operated under the

same parameters as currently operated, is statutorily exempt from CEQA in accordance with Section 15261 of the CEQA Guidelines.

Cite specific CEQA and/or CEQA Guideline Section: 15061(b) (3) REVIEW FOR EXEMPTION

Reasons to support exemption findings: A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. "Significant effect on the environment" is defined in the CEQA Guidelines as "... a substantial, or potentially substantial, adverse change in the environment". Here, the baseline for determination of whether a significant impact might occur are the actual environmental conditions existing at the time environmental analysis occurs. The existing conditions here are the ongoing operation of the pipeline, which are not proposed to be changed during the period of the short-term lease extension. The short-term extension of the existing Lease Agreement for a period of eighteen months, to allow continue use of the existing offshore pipelines under the same parameters as currently operated does not have the potential for causing a significant effect on the environment when compared against the existing conditions. No new facilities will be installed and the historic and ongoing operation of the pipelines by the lessee will continue during this interim period without change. Therefore, the short-term lease extension does not have the potential to cause a significant effect on the environment and the action is exempt from CEQA review pursuant to CEQA Guidelines Section 15061 (b) (3).

The Federal Bureau of Safety and Environmental Enforcement (BSEE) has regulatory authority to oversee maintenance, repair and safety-related planning for offshore Platforms Gail and Grace, and the associated pipelines. BSEE has reviewed the most recent information available regarding the condition and integrity of the subject pipelines including integrity testing and internal/external corrosion reports spanning the last six years. In reviewing the inspection results BSEE concluded the pipelines are currently in satisfactory operating condition and no corrective actions are necessary (the letter from BSEE dated September 3, 2015 is attached to this Notice). Based on the positive inspection results, the ongoing maintenance program carried out by the operator, the lack of previous incidents/spills and the positive operational record of the applicant, there is no possibility that during the short-term of the interim lease extension (18 months), there will be any significant impact on the environment.

Cite specific CEQA and/or CEQA Guideline Section: 15301 EXISTING FACILITIES

Reasons to support exemption findings: The baseline for determination of whether a significant impact might occur are the actual environmental conditions existing at the time environmental analysis occurs. The existing conditions here are the ongoing operation of the pipeline, which are not proposed to be changed during the period of the short-term lease extension. The proposed action is to extend an existing lease agreement between the County and Ellwood Pipeline, Inc., for a short-term, interim renewal period of eighteen months, authorizing the continued use of oil and gas pipeline facilities under the same parameters as currently operating, which does not involve any physical changes or expansion of use, and therefore, is exempt from CEQA under Section 15301. As defined in the California Environmental Quality Act (CEQA) guidelines, Section 15301 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use

beyond that existing at the time of the lead agency's determination. The short-term extension of the existing lease will provide for the continued operation, repair, maintenance, and leasing of existing private facilities under the same parameters currently operated. There will be no physical alterations or expansion of the existing use resulting from the action, and, therefore, the lease extension is exempt from CEQA in accordance with Section 15301.

In addition, there is no substantial evidence that the proposed project involves unusual circumstances, including future activities, resulting in or which might reasonably result in significant impacts which threaten the environment. The exceptions to the categorical exemptions pursuant to Section 15300.2 of the State CEQA Guidelines are:

- (a) Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located -- a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.**

The pipelines' locations are not identified as an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.

- (b) Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.**

The available Federal oil & gas leases in the area of Platforms Gail and Grace have been developed. It is highly unlikely that additional platforms will be constructed during the term of the 18-month lease extension that has the potential to result in additional transmission pipelines in the area. There are no other oil and gas pipeline systems in that area that have been extended or renewed, or will be extended or renewed by the County within the next eighteen months. Because successive projects of the same type in the same place is unlikely during the short-term period of the lease extension, no cumulative impacts will occur. Therefore, there will be no successive projects of the same type in the same place over time and no resultant associated cumulative impact.

- (c) Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.**

There will be no physical alterations or expansion of the existing use. During the short-term lease extension, the same facilities will be operated under the same parameters as currently operating. There is no evidence of unusual circumstances of the operation of the pipeline; therefore, there is no reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

- (d) Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings,**

rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.

This project is not visible from any scenic highways. Therefore, this exception does not apply.

- (e) Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.**

This project is not located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. Therefore, it is not located on a hazardous waste site and this exception does not apply.

- (f) Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.**

This project does not involve any historical resources. Therefore, this exception does not apply.

Therefore, none of the exceptions to the categorical exemptions pursuant to Section 15300.2 of the State CEQA Guidelines apply to this project.

Lead Agency Contact Person: Matthew Pontes, General Services Director

Phone #: 805 560-1011

Department/Division Representative: Matthew Pontes

Date: September 9, 2015

Acceptance Date:



for Matt Pontes

Distribution: Hearing Support Staff

Date Filed by County Clerk:



United States Department of the Interior
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
PACIFIC OCS REGION
760 Paseo Camarillo, Suite 102
Camarillo, CA 93010-6064

SEP 03 2015

Mr. Kevin Drude
Deputy Director
Planning and Development Department
Energy and Minerals Division
County of Santa Barbara
123 East Anapamu Street
Santa Barbara, CA 93101-2058

Re: Pipeline Integrity, Platform Grace to Shore

Dear Mr. Drude:

Thank you for your inquiry regarding the integrity of the Platform Grace-to-shore oil and gas pipelines. The Bureau of Safety and Environmental Enforcement (BSEE) Pacific OCS Region, Office of Field Operations, has a comprehensive pipeline inspection program that requires operators to use both internal and external inspection technologies in concert to assess and maintain the overall integrity of pipelines. In addition, the pipelines have a cathodic protection system in place with anodes strategically placed along the pipelines to reduce corrosion. The Platform Grace pipelines are regularly inspected, and there have been no findings of apparent problems and thus no remedial action or further analysis required based on the last several sets of inspection results. We discussed those inspection results and the history of the pipelines in more detail with Mr. Jay Sheth of your staff last week.

Please contact Catherine Hoffman, Regional Operations Section Chief, at (805) 384-6332, if you have any questions.

Sincerely,

Nabil F. Masri
Regional Supervisor
Office of Field Operations

cc: Mr. Terrence Larson
Acting Director, Pipeline Safety Office, Western Region Office
U. S. Department of Transportation

Ms. Marina Voskanian, P. E.
Division Chief, Mineral Resources Management
California State Lands Commission