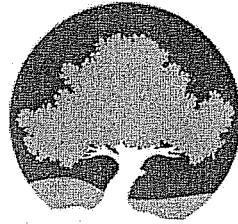


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COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS**environmental**
DEFENSE CENTER

September 26, 2008

Board of Supervisors
County of Santa Barbara
105 East Anapamu Street
Santa Barbara, CA 93101**Re: Tranquillon Ridge Appeals**

Dear Chair Carbajal and Honorable Supervisors:

This letter is submitted by the Environmental Defense Center (EDC) on behalf of our clients, Get Oil Out! (GOO!) and Citizens Planning Association of Santa Barbara County (CPA). GOO! is a non-profit corporation whose mission is to protect the natural environment and beauty of the Santa Barbara Channel from the adverse effects of oil development. CPA is a non-profit corporation formed in 1960 dedicated to defending the County's natural resources and upholding the County's planning policies and objectives. The EDC was founded in 1977 to protect and enhance the local environment through education, advocacy, and legal action.

EDC represented GOO! and CPA in negotiations that resulted in a landmark agreement with PXP regarding the company's proposed Tranquillon Ridge Oil and Gas Project. The Santa Barbara County Planning Commission approved the Project on April 21, 2008. Although three appeals were filed, only one appeal remains today.¹

EDC and our clients urge you to deny the appeals and allow the Planning Commission approval to stand. As explained in the Board Agenda Letters dated August 19, 2008, the appeals are without merit. Denying the appeals will also result in

¹ Exxon withdrew its interest in the Exxon/Sunset appeal on August 11, 2008. Vaquero withdrew its appeal on September 15, 2008. Although Bell has not officially withdrawn his appeal, to our knowledge he failed to appear at any of the Board of Supervisors' hearings on August 19, September 9 and September 16. In any event, as noted in the Board Agenda Letter and EDC's August 13, 2008 letter, Bell lacks standing to appeal because he did not participate in the Planning Commission hearing.

tremendous benefits to the County: reducing the potential impacts of the Project by imposing an end date that coincides with the projected life of existing operations from the Pt. Pedernales Project; generating significant tax revenue for the County; providing funding to reduce greenhouse gas emissions, and transferring almost 4,000 acres of land for public benefit.

Sunset Appeal²

As explained in the Board Agenda Letter, the Sunset appeal should be denied. The Sunset appeal challenges the adequacy of the EIR's analysis of the onshore alternative and closure of the Lompoc Oil and Gas Plant (LOGP). However, as explained herein and in the Board Agenda Letter, the EIR analysis was more than adequate under CEQA. In addition, the appeal requests a detailed comparison of the economics of the Tranquillon Ridge project and Sunset's proposed Vahevala project.

Analysis of onshore alternative: Sunset complains that the EIR fails to adequately consider an onshore alternative. On the contrary, the EIR includes an exhaustive analysis of an onshore alternative. As pointed out in the Board Agenda Letter, the onshore alternative analyzed in the EIR is similar to the Sunset proposal, and was designed to comply with CEQA's mandate that alternatives be capable of avoiding or substantially lessening project impacts.

What Sunset really wants is for the EIR to be revised to evaluate its specific development proposal. The problem with this request – besides the fact that CEQA does not require that an EIR analyze a specific competing proposal – is that Sunset does not have an alternative to evaluate.

First, Sunset does not possess an onshore site from which to drill into the Tranquillon Ridge Field. The onshore site proposed by Sunset is located on Vandenberg Air Force property. On June 25, 2008, the Air Force notified Sunset that this location is not feasible due to interference with military operations. (See Exhibit B.2 to Board Agenda Letter.) As such, the Sunset application remains incomplete and is not a viable alternative. Without an onshore location, it is impossible to analyze the impacts of the Project. There is no information regarding the proposed drilling and production site, pipeline route, or other infrastructure.

Second, Sunset does not possess the means to seek approval of the offshore leases necessary to produce the Tranquillon Ridge Field. The California Coastal Sanctuary Act allows the state to issue a lease if the field in question is "being drained by means of producing wells upon adjacent federal lands...." PXP is currently draining the Tranquillon Ridge Field from producing wells on Platform Irene, which is located on federal lands. If PXP's application to produce the Tranquillon Ridge is not approved, PXP may simply stop producing any wells that are draining the field. Sunset has no

² Although originally filed as the "Exxon/Sunset" appeal, Exxon subsequently withdrew its appeal.

control over these wells and cannot make the showing necessary to receive state approval.

Moreover, Sunset's alternative would actually result in *greater* impacts than the approved Tranquillon Ridge project and is thus not approvable under CEQA. Sunset's proposal would require construction and operation of new facilities onshore (drilling and production facilities, pipelines, etc.) at the same time that the existing Pt. Pedernales platform and pipelines will continue to operate. Therefore, the County would face impacts both on- and offshore for many years to come. With the approved Tranquillon Ridge project, there would be no new impacts from an onshore production facility, and the offshore facilities will be decommissioned by the end of 2022. Under CEQA, alternatives must be "capable of avoiding or substantially lessening any significant effects of the project;"³ therefore, it would be inappropriate to revise and recirculate the EIR to analyze the Sunset alternative.

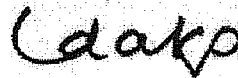
For all these reasons, Sunset does not have a viable project, and it would be inappropriate to hold off approval of the Tranquillon Ridge Project.

Analysis of Closure of the LOGP: As explained in the Board Agenda Letter, the LOGP is not a County-designated consolidated site for oil and gas processing. In fact, in approving the 2000 North County Siting Study, the County explicitly decided *not* to designate the LOGP as the North County consolidated oil and gas processing facility.⁴ Therefore, PXP, or any successor, can close the LOGP at any time, with or without the Tranquillon Ridge project. In addition, since the end date of 2022 is the current estimated end of life for the Pt. Pedernales project and LOGP, there can be no new impacts associated with the approved project. In any event, specifying an end date in Condition A-6 for the Tranquillon Ridge Project does not create any new impacts.

Financial Information: We agree with the analysis in the Board Agenda Letter, and the conclusion that there is no basis for speculating about potential revenue from Sunset's proposal because they do not have a complete application and the project is not viable.

Thank you for your consideration of these comments.

Sincerely,



Linda Krop,
Chief Counsel

cc: Get Oil Out!
Citizens Planning Association

³ CEQA Guidelines §15126.6(b).

⁴ *North County Siting Study*, Santa Barbara County (2000), Recommendation #3.