



County of Santa Barbara

Onshore Oil Facilities Update No. 5

60 Day Staff Report and Update for: Onshore Oil Facilities

Santa Barbara County
Board of Supervisors,
January 13, 2009



Agenda

- Overview of inspection activity
- Review of recommended actions to enhance oversight capability



Regulatory Oversight Agencies

- Federal
 - Environmental Protection Agency (EPA)
- State
 - California Division of Oil & Gas
 - California Department of Fish & Game
 - Regional Water Quality Control Board
- County
 - Division of Building and Safety Petroleum Unit
 - County of Santa Barbara Fire Department
 - County of Santa Barbara Planning & Development
 - Santa Barbara County Air Pollution Control District





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.



Statistics:

- Inspections
- Re-inspections
- Spills



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





Facility Inspections

Inspected No. of facilities	No. of facilities Inspected	No. of deficiencies
Greka Oil & Gas	33	277
Richards Oil	2	25
PXP	2	0
BreitBurn Energy	9	0
Sierra Resources	3	4
E&B Resources,	26	53
Phoenix Energy	1	0
Gitte-Ten Resources	1	0
B&E Conway	8	0
Grayson Services, Inc.	1	16
RMR Energy Resources	1	5
Venoco Inc.	1	1
Pyramid Oil	1	0
Vaquero Energy	2	16
Off Broadway	1	2
Chevron/Texaco	17	36
TOTALS:	<u>109</u>	<u>435</u>



County of Santa Barbara

Onshore Oil Facilities Update No. 5

Greka Energy

Owner & Facility #1	Inspection Date	Location Address	Status	Deficiencies Total/High	Deficiencies Resolved by Facility (Action description)
Greka Oil & Gas:					
Ucal - 5th Inspection	8/22/2008	6527 Dominion Road	Active	1/0	Conditional operation permit for 180 days
Bradley 3-Island -5th Inspection	11/12/2008	3851 Telephone Road	Active	0/0	Stop Work lifted 11-7-08 by FPD
Security Lease-3rd Inspection	7/23/2008	5200 Dominion Road	Active	31/0	20 Low Priority items corrected
Union Sugar-3rd Inspec.	7/30/2008	1505 Black Road	Active	27/0	11 Fire items corrected
Los Flores-4th Inspection	10/30/2008	6151 Dominion	Active	26/0	7 Low Priority items corrected
Casmalia/Morganti-3rd Inspection	8/20/2008	5080 Black Road	Active	5/0	43 deficiencies
Dominion-4th Inspection	10/3/2008	6460 Dominion Road	Idle	2/0	8 items completed
Bell Tank Battery-7th. Inspection	4/9/2008	6780 Palmer Road	Active	0/0	6 items deferred
Bell Blochman Inj. - 7th Inspection	4/9/2008	6605 Palmer Road	Active	0/0	6 items deferred
Zaca-Davis-5th Inspection	6/19/2008	5017 Zaca Station Road	Active	0/0	Stop Work lifted 6-23-08
Bell Compressor-3rd Inspection	9/17/2008	7320 Palmer Road	Active	10/0	180 Temp operating permit
Fullerton-4th Inspection	8/6/2008	6749 Cat Canyon Road	Active	31/3	11 Low priority Petro items corrected
Jim Hopkins-3rd Inspection	9/5/2008	4000 So. Hwy y 101	Active	2/0	60 Low priority violations corrected
Escolle-4th Inspection	8/20/2008	7275 Graciosa Road	Active	8/0	3 High Priority/ 45 Low Priority items
Battles Lease-4th Inspection	8/6/2008	1348 Battles Road	Active	11/4	9 Low Priority Petro items corrected
Williams Holding-2nd Inspection	5/15/2008	6855 Cat Canyon Road	Idle	60/6	1 High Priority Petro item completed
Kemp-3rd Inspection	9/16/2008	3518 Telephone Road	Active	3/0	22 low priority & 1 high priority corrected
Bradley 5-Island-3rd Inspection	9/16/2008	3850 Telephone Road	Idle	0/0	All deficiencies corrected
Union Texas Tank Facility	10/9/2008	7427 Cat Canyon Road	Idle	2/0	None Reported
G. Gibson Tank Facility	10/14/2008	7211 Cat Canyon Road	Idle	3/0	None Reported
Conoco 1-31 Tank Facility	10/14/2008	7211 Cat Canyon Road	Idle	4/0	None Reported
Goodwin A Tank Facility	10/14/2008	5200 Dominion Road	Idle	5/0	None Reported
Lakeview Tank Facility	10/23/2008	2617 E. Clark Avenue	Idle	12/0	None Reported
Nodlew Tank Facility	10/23/2008	2935 E. Clark Avenue	Idle	8/0	None Reported
Olean Tank Facility	10/23/2008	3500 Telephone Road	Idle	3/0	None Reported
Lakeview Gas plant	10/28/2008	Clark Avenue	Idle	3/0	None Reported
Cross Development Tank Facility	10/28/2008	1956 Cambridge Way	Idle	3/0	None Reported
East Valley Farms Tank Facility	10/28/2008	1875 Cambridge Way	Idle	3/0	None Reported
Golco Fee Tank Facility	10/28/2008	Telephone Road	Idle	4/0	None Reported
Carranza Tank Facility	11/4/2008	4551 Figueroa Mountain Road	Active	2/0	None Reported
Chamberlin B Tank Facility	11/4/2008	5017 Zaca Station Road	Idle	3/0	None Reported
Davis B Tank Facility	11/4/2008	5017 Zaca Station Road	Active	3/0	None Reported
Luton Tank Facility	11/4/2008	5017 Zaca Station Road	Idle	2/0	None Reported

277/13

Summary:		
Number of Facilities under Inspection:	33	
Total Number of Deficiencies	277	
Total Number of Deficiencies rated "High"	13	6 Deficiencies are Active 7 Deficiencies are Idle
Total No. of Active Facilities	17	
Total No of Idle	16	
Total No. Facilities Operating w/ Deficiencies:	13	

Onshore Oil Facility

Inspection Report



County of Santa Barbara

Onshore Oil Facilities Update No. 5

Onshore Oil Facility

Inspection Report

Owner & Facility #1	Inspection Date	Location Address	Status	Deficiencies	
				Total/High	Resolved by Facility (Action description)
Richards Oil					
Wickenden Tank Facility-2nd inspection	10/14/2008	7201 Foxen Canyon Road	Active	10/0	5 items corrected
Tompkins/Peshine Tank Facility-2nd insp	10/16/2008	5300 Associated Road	Active	15/0	None Reported
PXP					
Jesus Maria Tank Facility	4/2/2008	VAFB, CA (West)	Idle	0/0	N/A
Lompoc Hill Tank Facility	4/8/2008	4230 Rucker Road	Active	0/0	N/A
BreitBurn					
New love 64 Tank Facility 3rd insp	8/8/2008	1555 Orcutt Hill Road	Active	0/0	All deficiencies corrected
New love Gas Plant - 2nd Inspection	5/21/2008	1555 Orcutt Hill Road	Active	0/0	None Reported
New love Diatomite V-Sep Injection Facility-2nd insp.	7/2/2008	1555 Orcutt Hill Road	Active	0/0	34 deficiencies corrected
New love WW Injection Facility-3rd insp.	8/8/2008	1555 Orcutt Hill Road	Active	0/0	All deficiencies corrected
New love Tank Facility 2-3rd insp	8/8/2008	1555 Orcutt Hill Road	Active	0/0	All deficiencies corrected
Fox Injection Plant Tank Facility-3rd insp.	8/8/2008	1555 Orcutt Hill Road	Active	0/0	All deficiencies corrected
Squires Tank Facility	5/1/2008	1555 Orcutt Hill Road	Idle	0/0	None Reported
Cal Coast Tank Facility-3rd insp.	8/8/2008	1555 Orcutt Hill Road	Active	0/0	All deficiencies corrected
Pinal Tank Facility-3rd insp.	8/8/2008	1555 Orcutt Hill Road	Active	0/0	All deficiencies corrected
Sierra Resources					
H.P. Boyne Tank Facility-3rd Insp.	10/23/2008	10505 Hwy 101	Active	0/0	All deficiencies corrected
Blair Tank Facility-3rd Insp.	10/23/2008	10505 Hwy 101	Active	4/0	1 item corrected
Soladino Tank Facility-2nd Insp.	6/27/2008	500 Associated Road	Active	0/0	All deficiencies corrected
Phoenix Energy					
Careaga Facility	6/17/2008	7980 Graciosa Road	Active	0/0	All items corrected
Gitte-Ten					
Careaga Facility	6/19/2008	7980 Graciosa Road	Active	0/0	All items corrected
GRAYSON SERVICES, INC.					
Cantin Tank Facility 3rd inspection	10/14/2008	4445 Foxen Canyon Road	Active	16/0	7 low priority items corrected

Other Facilities – part 1



Onshore Oil Facility

Inspection Report

Owner & Facility #1	Inspection Date	Location Address	Status	Deficiencies Total/High	Deficiencies Resolved by Facility (Action description)
E&B Natural Resources					
SCU Tank Facility 5 -2nd insp.	7/30/2008	1848 Perkins Rd., Hw y 166	Active	2/0	11 items corrected
SCU Tank Facility 6-3rd insp.	8/13/2008	1848 Perkins Rd., Hw y 166	Active	0/0	All deficiencies corrected
SCU Tank Facility 18-3rd insp.	8/13/2008	Aliso Canyon Rd., Cuyama	Active	0/0	All deficiencies corrected
SCU Machader Tank Facility-2nd insp.	7/30/2008	1848 Perkins Rd., Hw y 166	Active	5/0	8 items corrected
RRU Central Tank Facility-3rd insp.	8/13/2008	8702 Hw y 166, Cuyama	Active	0/0	All deficiencies corrected
SCU Tank Facility 1	11/13/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 2	11/13/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 3	11/13/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 4	11/13/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 8	11/21/2008	1848 Perkins Rd., Hw y 166	PD	3/0	None Reported
SCU Tank Facility 9	11/21/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 10	11/21/2008	1848 Perkins Rd., Hw y 166	PD	4/0	None Reported
SCU Tank Facility 11	11/21/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 12	11/21/2008	1848 Perkins Rd., Hw y 166	PD	3/0	None Reported
SCU Tank Facility 13	11/21/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 14	11/21/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 16	11/21/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 17	11/21/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
SCU Tank Facility 19	11/21/2008	1848 Perkins Rd., Hw y 166	PD	2/0	None Reported
RRU Tank Facility 1	12/2/2008	1848 Perkins Rd., Hw y 166	Idle	2/0	None Reported
RRU Tank Facility 2	12/2/2008	1848 Perkins Rd., Hw y 166	Idle	2/0	None Reported
RRU Tank Facility 3	12/2/2008	1848 Perkins Rd., Hw y 166	Idle	2/0	None Reported
RRU Tank Facility 4	12/2/2008	1848 Perkins Rd., Hw y 166	Idle	2/0	None Reported
RRU Tank Facility 5	12/2/2008	1848 Perkins Rd., Hw y 166	Idle	2/0	None Reported
Hibberd Tank Facility 7	12/2/2008	1848 Perkins Rd., Hw y 166	Idle	2/0	None Reported
Russel A Tank Facility	12/2/2008	1848 Perkins Rd., Hw y 166	Idle	2/0	None Reported

Inspections Continued – part 2



County of Santa Barbara

Onshore Oil Facilities Update No. 5



Onshore Oil Facility

part 3

Owner & Facility #1	Inspection Date	Location Address	Status	Deficiencies Total/High	Deficiencies Resolved by Facility (Action description)
B&E Conway					
Hancock Facility	6/24/2008	1190 Rosemary Road	Active	0/0	All items corrected
Enos Facility	6/26/2008	1776 Rosemary Road	Active	0/0	All items corrected
Magenheimer Facility	7/1/2008	7600 Cat Canyon Road	Active	0/0	All items corrected
Wait-Bradley Facility	7/3/2008	6190 Dominion Road	Active	0/0	All items corrected
Union Sugar Facility-2nd inspection	10/2/2008	5140 W. Main Street	Active	0/0	All items corrected
New hall Facility-2nd inspection	9/29/2008	7275 Graciosa Road	Active	0/0	All items corrected
Brookings Facility	10/2/2008	6222 Dominion Road	Idle	0/0	N/A
Goodwin Facility	10/2/2008	4448 Dominion Road	Idle	0/0	N/A
RMR ENERGY RESOURCES					
Williams Holding Tank Facility	7/17/2008	Long Canyon Road	Idle	5/0	None Reported
Venoco Inc.					
Togazzini Tank Facility-2nd inspection	10/28/2008	Cat Canyon Road	Active	1/0	1 high 13 low priorities corrected
Pyramid Oil					
Delaney Tunnell Facility - 2nd inspection	9/23/2008	Dominion Road	Active	0/0	1 High Priority & 15 low priority items corrected
Vaquero Energy					
Careaga LA #1 Facility-3rd inspection	11/13/2008	Highway 135	Active	3/0	All 7 petro items completed
Careaga LA #2 Facility-4th inspection	11/13/2008	Highway 135	Active	13/0	9 petroleum items completed
Off Broadway					
Wheat Tank Facility - 2nd inspection	9/23/2008	Broadway Boulevard	Active	2/0	2 Low Priority Petro items corrected
Chevron/Texaco					
WP Hammon-NCT-2 Tank Facility	8/14/2008	7211 Cat Canyon Road	Idle	2/0	None Reported
Fugler Tank Facility-3rd inspection	11/13/2008	6085 Cat Canyon Road	Idle	2/1	1 petroleum item completed
GWP level 1-5 Tank Facility	8/19/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Recruit Fee Tank Facility Level 1-3	8/19/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Williams Holding Compressor Plant	8/19/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Williams Holding Waste Water Tank Facility	8/28/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Los Alamos Eastside Tank Facility	8/28/2008	6085 Cat Canyon Road	Idle	4/0	None Reported
GWP upper Tank Facility	9/4/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Williams Holding Test Site 1 Facility	9/11/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Williams Holding 56KD Tank Setting	9/11/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Los Alamos 36 Test Tank-4 Facility	9/18/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Los Alamos 7A Drip Tank Facility	9/18/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Los Alamos 69 Test Tank -3 Facility	9/18/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Williams Holding 82KD Tank Facility	9/25/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Williams Holding Fuel Oil 1&2 Tank Facility	9/25/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Los Alamos Test Tank-6 Facility	9/25/2008	6085 Cat Canyon Road	Idle	2/0	None Reported
Los Alamos Westside Tank Facility	10/9/2008	6085 Cat Canyon Road	Idle	2/0	None Reported





Onshore Oil Facility

Inspection Report

Summary other than Greka

Total No. of facilities under inspection	76
Total No. of deficiencies	158
Total No. of deficiencies rated "High"	1
Total No. of Active	33
Total No. of Idle	29
Total No. Partially Dismantled	14
Total No. Operating w/ Deficiencies	16





Gallons Spilled Since January 15, 2008

Date	Operator	Lease/Facility	Gal
<i>Total Amount spilled from January 15 to April 30, 2008</i>			13300
<i>Total Amount Spilled from May 1 to June 30, 2008</i>			704
<i>Total Amount Spilled from July 1 to August 31, 2008</i>			940
10/2/2008	Plains Exploration	Firefighter Road	219
10/14/2008	Greka	Dominion Road	1
10/16/2008	Greka	Battles Road	15
10/19/2008	Vacquero Energy	Old Cariaga Ranch Road	10
10/31/2008	Breitburn Energy	Orcutt Hill Road	126
11/2/2008	BE Conway	Well B-2 Magenheimer	420
11/5/2008	PXP	Harris Grade Road	3
11/17/2008	Venoco, Inc.	Cat Canyon Road	420
11/21/2008	Greka	Telephone Road	84
11/24/2008	Greka	Zaca Station Road	630
12/6/2008	Greka	Telephone Road	1470
12/11/2008	Greka	Telephone Road	25
12/18/2008	PXP	Rucker Road	11
12/24/2008	Greka	Graciosa Road	336
12/26/2008	Greka	Palmer Road	2600
12/27/2008	Greka	Palmer Road	9240
12/28/2008	Greka	Palmer Road	210
			15820
Total Amount Spilled Since January 15, 2008			30,764



Status of Recommended Actions



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



"Sec. 15-103. Petroleum facility response – Cost Recovery.

Petroleum Facility Operators shall pay a fee as specified below, for any response to their petroleum facility (and/or associated piping and wells) by County Fire that is caused by a violation of Chapter 27 (hazardous Material) or Chapter 34 (Flammable and Combustible Liquids) of Article 1 of Chapter 15 of the Santa Barbara County Code. There shall be no fee for the initial response to a petroleum facility in a calendar year. However, a fee of \$690 shall be charged for each subsequent response to a petroleum facility in a calendar year. Additionally, if the time needed by County Fire to mitigate the hazard caused by any violation exceeds two hours, the Petroleum Facility Operator shall pay a surcharge based on County Fire's actual response costs.

Exception: Off-shore related Petroleum facilities with Conditional Use Permits and regulated by the county's Systems Safety and Reliability Review Committee (SSRRC) are exempt from Sec. 15-103." (Ordinance scheduled for 1/13/09)



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

A High Risk Operator ordinance amendment to the Petroleum Code has been approved by your Board on December 9, 2008 and will go into effect January 9, 2009





Recommendation # 3

Develop a Centralized "Violation History"
Database



Recommendation # 3

A web based system is being constructed to tie with the Accela project tracking system and Firehouse system to allow for real time information regarding deficiencies, spills, correction notices and penalties. Facilities have been coordinated for identification between APCD, Fire and Petroleum to provide a single data base for each facility. The result has been an increase in facilities from the last report from 77 to 117.





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



- The Petroleum Code contains language allowing for charges for extraordinary inspections. Draft ordinance language has been completed and is contained in the proposed update to the Fire Code. This Code amendment was continued on September 2, 2008 for language modifications regarding appeals and sprinkler requirements. First reading of the ordinance is scheduled for January 13, 2009.





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

- The County's on-site inspection program has been consolidated under the responsibility of the Petroleum Unit. County staff continues to coordinate and meet with all regulatory agencies. Staff will report progress to Board at 60-day intervals until this situation is stabilized. The next report is scheduled for March 27, 2009.





Thank You

January 13, 2008
On-Shore Oil 60-Day Update