



Oil & Gas Briefing

Santa Barbara County Board of

Supervisors

Energy & Minerals Division

Planning & Development

July 21, 2015

Overview

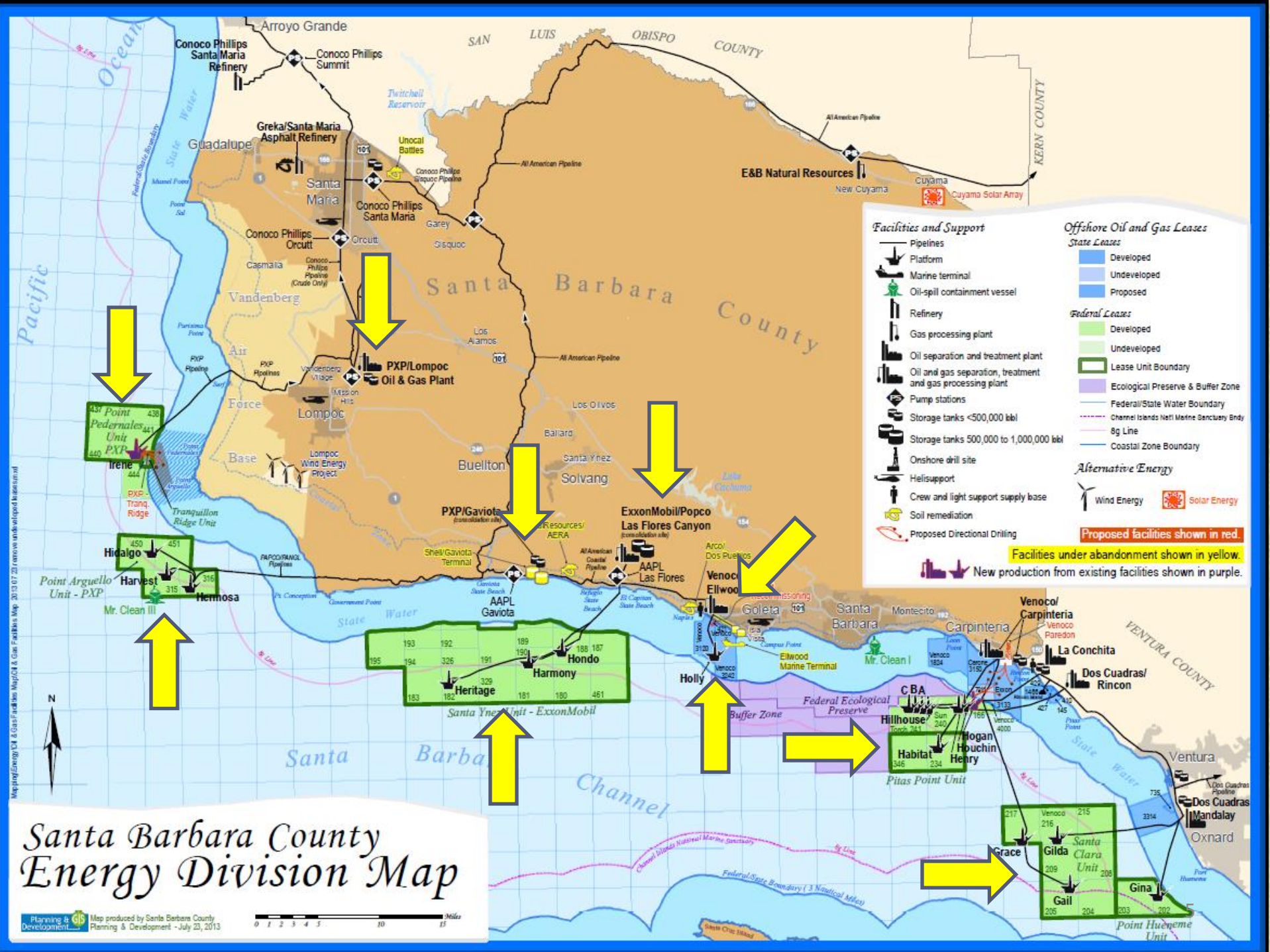
This report is intended to brief your Board on:

- Offshore Oil & Gas Development
- Onshore Oil & Gas Development
- Onshore Facility Inspection Results
- Onshore Spill Incident Update
- Pipeline Regulation & Safety

1896 offshore Summerland







Santa Barbara County Energy Division Map

Average Daily Offshore Oil Production

Average Daily Offshore Oil Production (thousands of barrels)

	2010	2011	2012	2013	2014
Freeport McMoran Pt. Arguello Unit (3)	5.3	5.1	4.5	4.3	3.8
Exxon Mobil Santa Ynez Unit (3)	34.3	30.4	25.9	30.8	30.2
Venoco Platform Holly (1)	2.4	2.2	3.3	4.8	3.8
Freeport McMoran Pt. Pedernales Unit (1)	5.9	5.0	4.9	4.3	4.8
Total	47.9	42.8	38.5	44.2	42.5

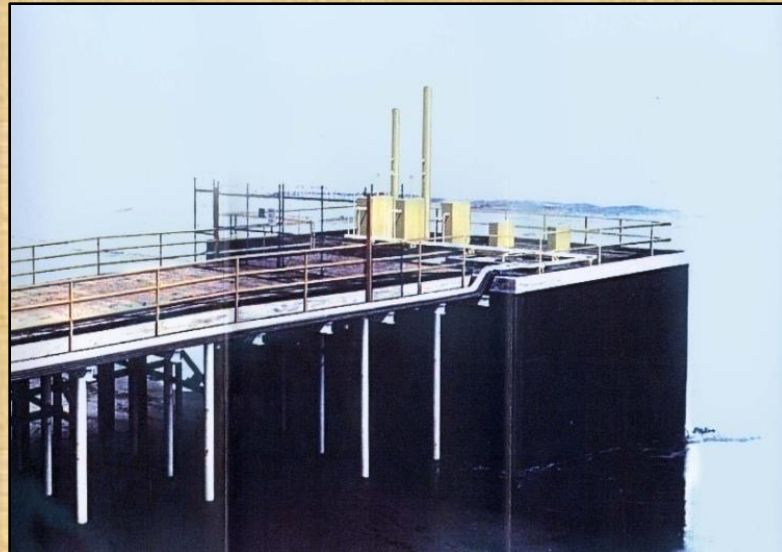
Regulatory Oversight

- Federal Waters - Federal Bureau of Safety and Environmental Enforcement (BSEE)
- State Waters - State Lands Commission, through their Mineral Resources Management Division (MRMD)
- Onshore processing facilities and related pipelines – County Systems Safety and Reliability Review Committee (SSRRC)

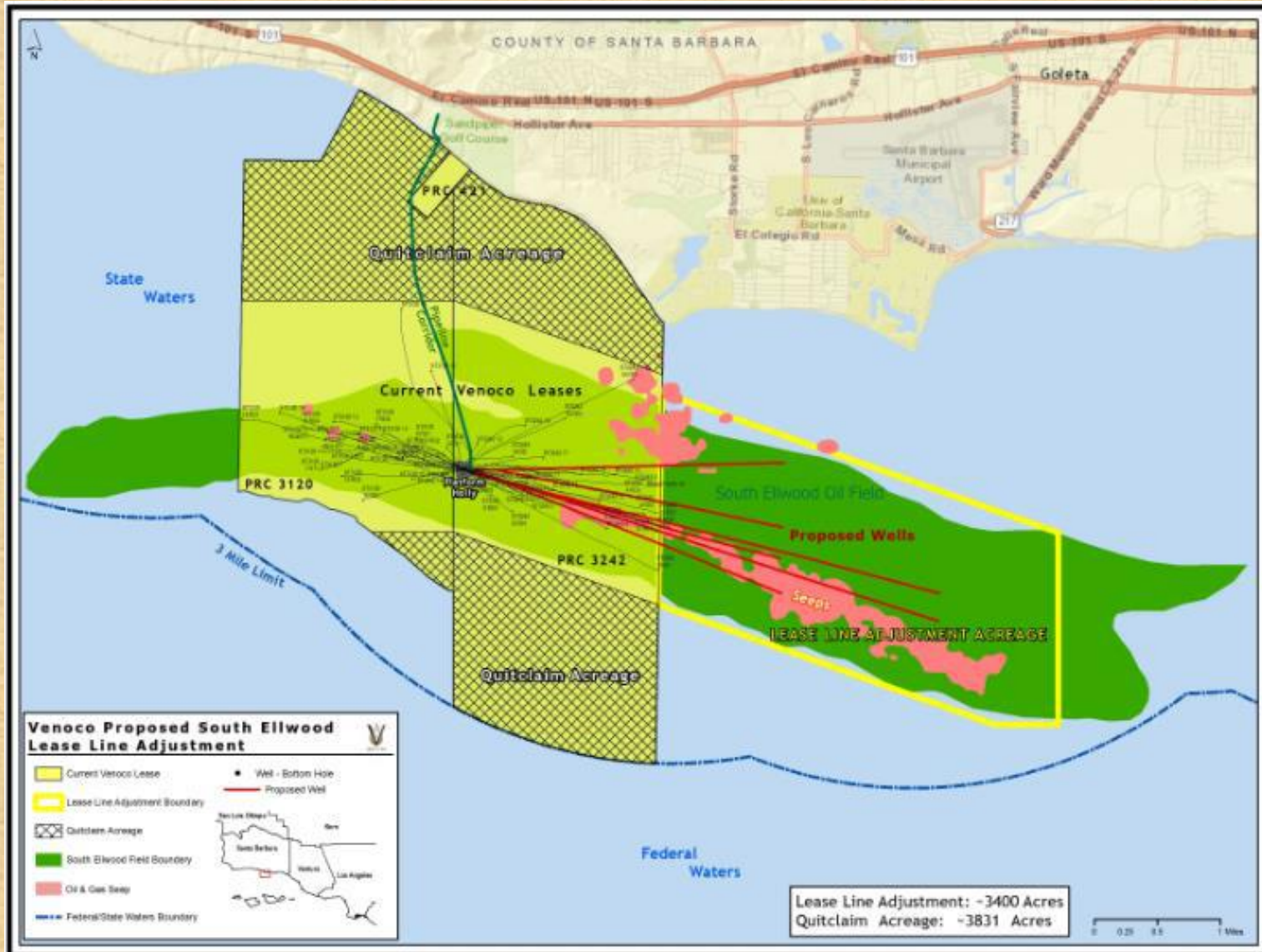
Systems Safety and Reliability Review Committee (SSRRC)

- Created by the Board in 1985 to review technical and safety-related plans for onshore facilities and related pipelines
- Conduct safety audits, review pipeline integrity reports and emergency response planning procedures

Proposed - PRC-421 Recommissioning



Proposed - Venoco South Elwood Field Project



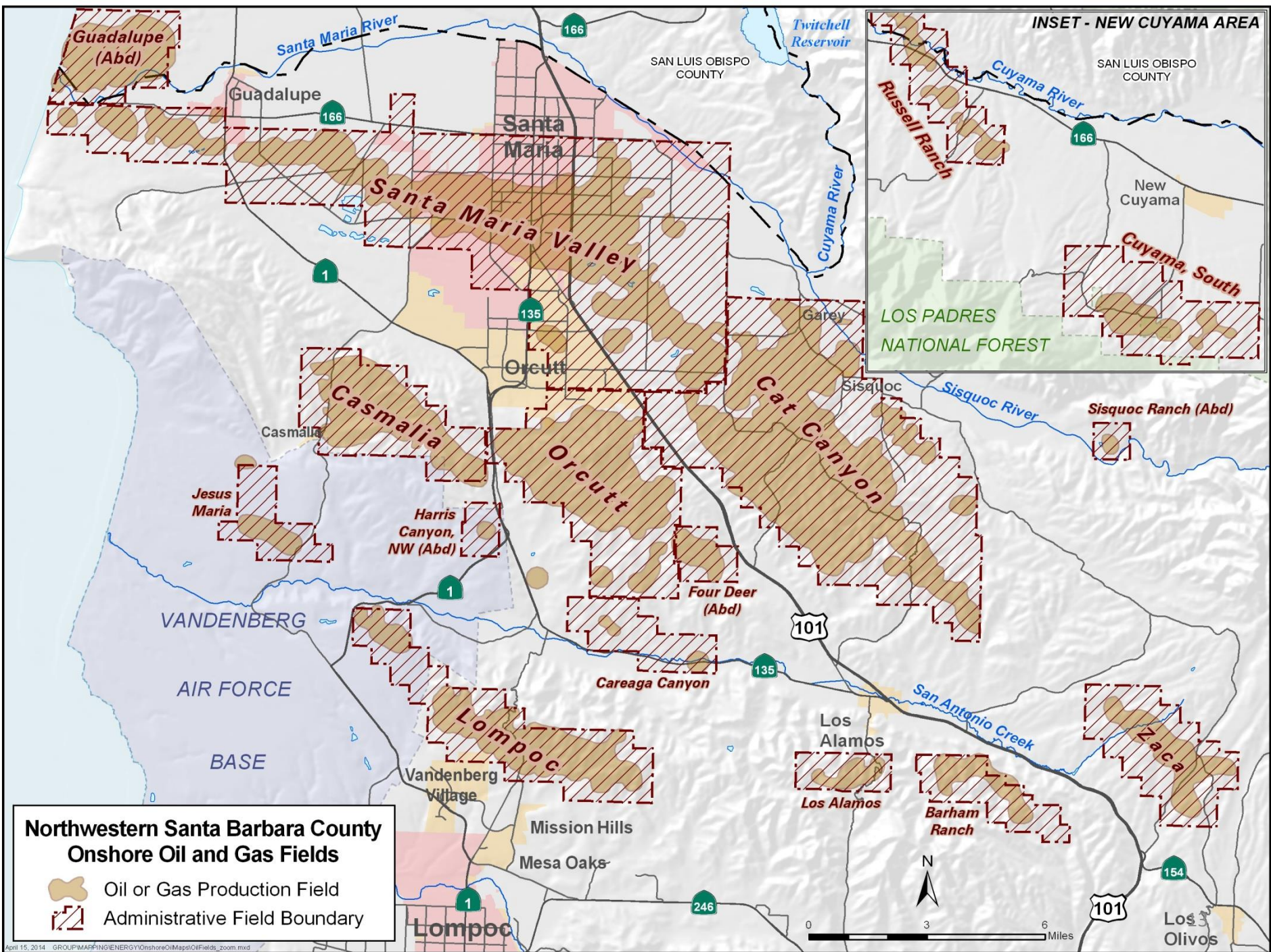
Federal Offshore Lease Program Update 2017-2022

- In January 2015, the Federal Government released the Draft Proposed Program
- No new offshore leases in California
- Existing leases may continue to produce – status quo

Onshore Oil & Gas Development



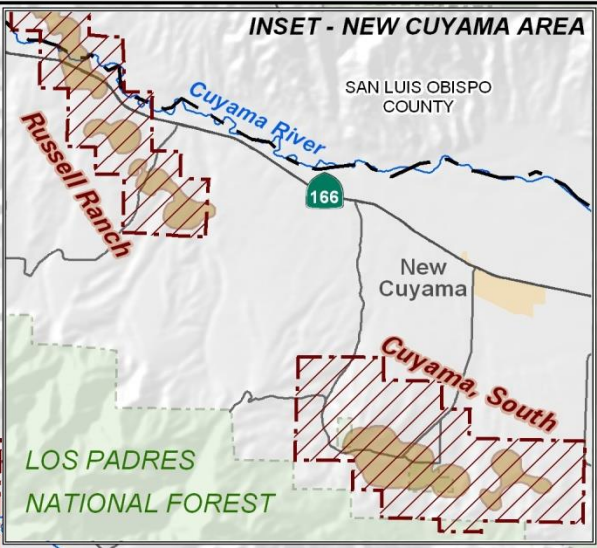
Orcutt Hill, circa early 1900s

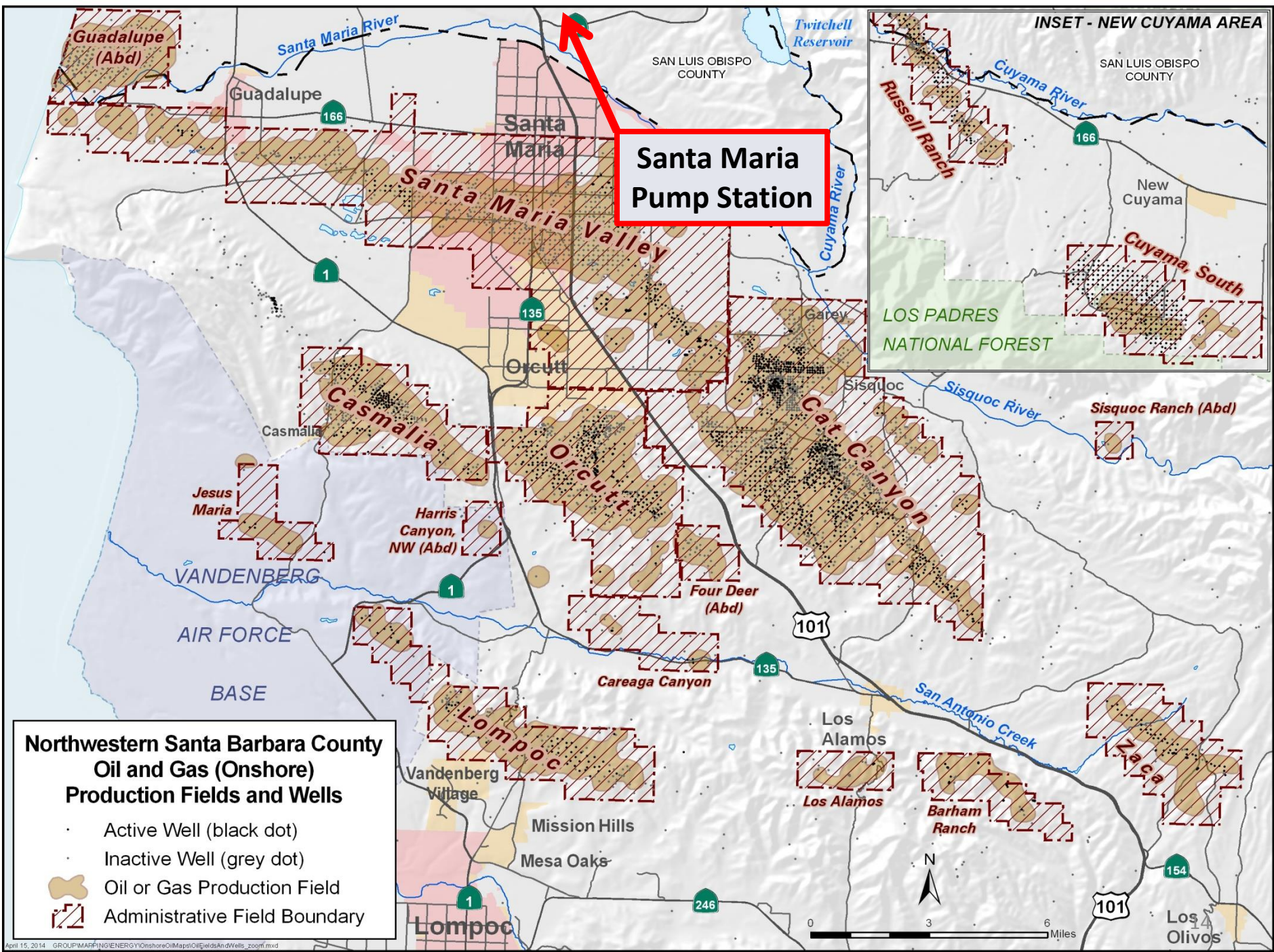


**Northwestern Santa Barbara County
Onshore Oil and Gas Fields**

-  Oil or Gas Production Field
-  Administrative Field Boundary

INSET - NEW CUYAMA AREA





Onshore Production Totals

Oil Field	2013	2014	2015 (thru May)
Orcutt	3,915	3,750	2,769
Cat Canyon	3,940	4,325	3,621
Santa Maria	630	630	636
Cuyama	585	570	444
Totals	9,070	9,275	7,470

*Barrels of Oil Per Day

Onshore Oil & Gas Regulations

- County has inspection and permit jurisdiction for all above ground activities
- State Division of Oil, Gas and Geothermal Resources (DOGGR) has jurisdiction below ground
- Both agencies are responsible for oversight and periodic inspections

Proposed Projects

INSET - NEW CUYAMA AREA

SAN LUIS OBISPO COUNTY

AERA
141 wells

Pacific Coast Energy Company (PCEC)
96 wells

ERG Resources
233 wells

PetroRock
231 wells

Northwestern Santa Barbara County Oil and Gas (Onshore) Production Fields and Wells

- Active Well (black dot)
- Inactive Well (grey dot)
- Oil or Gas Production Field
- Administrative Field Boundary

Inspection Results 2010 - 2014

- County Petroleum Staff inspects over 2,450 existing wells and 125 related facilities annually
- High of 88 violations in 2010 / Low of 11 in 2014
- Violations generally trending down
- Three fines levied against two operators 2010/2013
 - No “High-Risk Operations”

Spill Statistics 2010 - 2014

- Average of 19 reported spills per year
- Resulting in an total of 164 barrels of crude oil and 160 barrels of produced water per year on average
- 2011 had highest spill volumes
 - 462 barrels of crude oil and 434 barrels of produced water
- Spills generally trending downward

2011 Petroleum Ordinance Updates

- Added definitions of, and remediation requirements and punitive actions for “High Risk Operators” and “High Risk Operations”.
- A High-Risk Operation is defined as one that persistently violates the provisions of Chapter 25 or has a series of at least two separate unauthorized spill events of more than 15 barrels each, outside of containment at two separate facilities and over a 12-month period.

Onshore Oil Seeps

- Only occur at Pacific Coast Energy Company's (PCEC) Orcutt Hill property
- 97 Seep Cans have been installed to date and permitted through Emergency Permits – 51 are actively collecting oil
- Impacts of seeps are currently being analyzed in the EIR for the Orcutt Hill Expansion Project



Pipelines - Onshore

- Gathering Lines - Small-diameter pipelines that run relatively short distances within an oil field
 - Manual controls
 - Oversight by County Petroleum Unit
- Transmission Lines – Larger-diameter pipelines that collect dry crude oil after processing and deliver product for sale to one or more end users
 - Monitoring/controls – SCADA
 - Automatic Shutoff Systems
 - Oversight by PHMSA or State Fire Marshall

Thank You