



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Board of Supervisors
Department No.: 011
For Agenda Of: August 2, 2011
Placement: Departmental
Estimated Tme: 60 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Board Member(s) Salud Carbajal, First District County Supervisor
Contact Info: Jeremy Tittle, Executive Assistant
Office of Supervisor Carbajal 568-2182
Elsa Arndt, Emergency Manager
Office of Emergency Management 681-5526

SUBJECT: State Lands Commission Report on Summerland Abandoned Oil Wells

J.T. for SC

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

Recommended Actions:

That the County Board of Supervisors receive and file presentations by California State Lands Commission and the State Division of Oil, Gas & Geothermal Resources regarding seepage from natural and manmade sources in the Lookout Point area of Summerland.

Summary Text:

Over the last several years, there have been community concerns regarding the issue of oil seepage along the Santa Barbara coast and the role that abandoned 19th and early 20th century wells have played. In response to recent concerns regarding increased seepage from the Summerland community, the California State Lands Commission (SLC) and State Division of Oil, Gas & Geothermal Resources (DOGGR) will provide presentations to the Board regarding natural oil seepage offshore Summerland and what role previous oil drilling wells sites play in oil contamination of these areas. These presentations will help ensure that the Board is informed about actions that have been taken previously regarding abandoned oil wells, and what potential future action could be considered.

Background:

During the late 19th and early 20th centuries, considerable oil production occurred along the Summerland coast, including in tidal and near-shore waters. It is widely recognized that when these coastal oil wells were finished in their productive usefulness, responsible parties abandoned or “capped” the wells using inadequate techniques or just walked away. The responsible parties – developers at the time – have not been in existence for decades, thus these wells are referred to as “orphan” wells. Custody and responsibility for the oil wells abandoned in the State coastal area has reverted to the State Lands Commission.

On Wednesday, September 8, 2010, the SLC and Santa Barbara County Parks, attended a meeting of the Summerland Citizens Association (SCA) to address their concerns with the abandoned wells in State waters and the oil along the shoreline. The SLC representative stated that the amount of oil on the beach was not actually an increase in the amount of product but due to the time of year. SLC also provided a history stating that the wells in that area were drilled in the late 1800’s early 1900s. The wells were abandoned, once the underlying reservoirs were no longer economically and/or technically recoverable under market conditions and technological capabilities of that time. At the time there were no laws, standards or regulations directing how abandonment should be completed. Operators were plugging the well casings using telephone poles, scrap metal, rags, rocks and other debris. Since being abandoned, the structures have deteriorated and they are uncertain of current conditions. There are 412 abandoned or inactive wells in the Summerland area, 220 of which are on the beach or the near shore area. The State did fund a mitigation project in the early 1990s that succeeded in capping three abandoned wells and a joint project some years later involving State Lands Commission, Fish & Game, and the US Coast Guard documented levels of petroleum flow on the beach.

A report written by Alan Grosbard titled “Treadwell Wharf in the Summerland, California Oil Field: The First Offshore Wells in Petroleum Exploration” serves as a historical document providing a description of oil exploration including areas in Santa Barbara County. This report was funded by the Summerland Foundation in 2001.

The recent report, “Summerland’s leaking oil wells Physical and Social Effects” (Leifer, et al.; April 2007 (OSPR Technical Publication No. 07-001) (Attachment 2))), found identified drilling that had occurred into a now-known fault zone. The drilling into a fault zone exacerbates the complexities around a solution to stop seepage from the drilling site.

The Board of Supervisors held a hearing on April 5, 2011 in which County staff presented a report on the situation, public testimony was received, and the Board approved sending a letter to SLC and DOGGR requesting that they provide an in person presentation. During the hearing, Summerland resident David Fishback reported that on March 26, 2011 he observed oil leaking from a wellhead during a very low tide. Subsequently on April 12th, OES, Planning & Development-Energy Division and Carpinteria/Summerland Fire Department met with State Lands Commission (SLC) representatives and local constituents during similar tide conditions as when the Fishbacks photos were taken. The same situation was not found but a brownish oil substance was noticed in tide pools. A decision was made to conduct another visit on April 21st when tide conditions would be exactly the same as the Fishbacks visit when they spotted the exposed wellhead and pipeline.

The April 21st site visit included the same agencies and local constituents. SLC representation also included another engineer that was a consultant on previous projects in this area. They were able to provide the group with historical information regarding past efforts. SLC was also able to explain that the reservoir is shallow and in some places only 200 feet from the surface and that during rainy years the groundwater re-pressurizes the reservoir bringing the oil to the surface. Also during the winter months the sand is washed out so exposure of pipelines, wellheads, etc. are more likely.

State and Federal authorities have collaborated in examining the issue of offshore abandoned oil well impacts. Given the complexities involved and the potential for continued negative environmental impacts from these abandoned oil wells, a presentation by these agencies will be provided to include future options to address the issue.

Performance Measure:

Not Applicable.

Fiscal and Facilities Impacts:

Budgeted: There is no fiscal impact associated with receiving a presentation by State and/or Federal staff.

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$0.00	\$0.00	\$0.00
State			
Federal			
Fees			
Other:			
Total	\$0.00	\$0.00	\$0.00

Narrative:

Not Applicable.

Special Instructions:

None.

Attachments:

1. County letter to SLC and DOGGR
2. SLC response letter to County
3. Fishback pictures of March 26, 2011.
4. OES pictures of April 12, 2011

Authored by:

Jeremy Tittle

Elsa Arndt

cc:

Michael D. Harris, Emergency Operations Chief, Santa Barbara County

Brian Roney, Interim Director, County Parks Department

Doug Anthony, Deputy Director, Santa Barbara County Energy Division

Mayors: City of Carpinteria

City of Goleta

City of Santa Barbara

Cindy Sapienza, President, Summerland Citizens Association