

Memorandum

Date: December 10, 2007
To: Mike Brown
From: John Scherrei and John Baker
Subject: Greka oil spill on Palmer Rd.

The following is a summary of the incident that occurred on Friday December 7, 2007. Included is a synopsis of the actions taken by the first responders, as well as, by the Fire Prevention and the Petroleum Division.

At 7:37 AM the morning of December 7, the Santa Barbara County Fire Department responded to a reported oil spill, phoned in to County 911 by a passer-by, in the area of Palmer Road near Dominion Road. The initial engine company to arrive in the general reported area, Engine 23 from the Sisquoc Station, located the spill originating from the Greka oil processing plant at 6084 Palmer Road. Oil was actively flowing from the facility into a seasonal creek bed along Palmer Road and had flowed ½ (one-half) mile downstream. The creek was otherwise dry at the time. Appropriate County (HazMat, Petroleum, APCD) and State agencies (EPA, Fish and Game, Dept. of Oil and Gas) were notified. Greka official Mike Stoker was notified by phone by Fire personnel at 0830.

County Fire personnel assisted Greka personnel in diking along the creek to slow the flow of crude oil. Oil flow was stopped both at the leaking point of origin at the facility and the creek ½ mile downstream at approximately 10:30 AM. Greka officials informed Fire that there had been an injection pump failure along with an alarm system failure that caused the ensuing overflow of a spill pond to go undetected by them. County Hazardous Materials Unit (HMU) technicians estimate the amount of crude oil spilled to be approximately 800 barrels (about thirty three thousand, six hundred gallons). There is also an unknown amount of produced water mixed in with the product. Because of the location of the spill in a creek bed, State Fish and Game will be the lead cleanup oversight agency. County Fire has issued a Stop-Work Order for this facility and has provided a list of specific conditions that must be met before normal operations can resume. The county Petroleum Division has also issued a preliminary correction notice with several items and upon further inspection and investigation will issue a more definitive notice to comply. Some of those conditions will include:

- Electrical system repairs
- Alarm system repairs
- Processed water piping repairs,
- Testing of various processing systems
- Extensive cleanup requirements

- Several other safety and environmental requirements

Fire and Petroleum officials will proceed in a coordinated effort to ensure the facility is repaired to Fire Code and Petroleum Ordinance standards, and, cleaned-up to statutory levels. Greka will remain shut down until all repairs and testing is done to county Fire and Petroleum satisfaction. The county agencies will work closely with State Fish and Game in the mitigation, investigation, clean-up, and failure analysis of this incident.

Fire and Petroleum have recently been discussing how to best address the on-shore oil facility maintenance issues that exist in the county. The recent coordination of efforts between fire and petroleum have improved efficiency a great deal. Our recommendation is that Greka hire a qualified third party firm, approved by Fire and Petroleum, to conduct inspections and make repairs at all of Greka's facilities.