

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: September 9, 2004
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Department No.: 053
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If Yes, date from:
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BOS letter 2nd quarter.DOC

TO: Board of Supervisors

FROM: Valentin Alexeeff, Director of Planning & Development

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SUBJECT: 2nd Quarter 2004 Report for Energy Platform/Facility Inspections, Audits, & Drills

Recommendation(s): That the Board of Supervisors: Receive and file this informational document on inspections of offshore platforms in the Santa Barbara Channel and Santa Maria Offshore Basin, as well as onshore and near-shore facilities that process, store and transport product.

Alignment with Board Strategic Plan: The recommendation aligns with Goal No. 2 - A Safe and Healthy Community in which to Live, Work and Visit.

Executive Summary and Discussion: On August 26, 2003, the Board of Supervisors received a report and presentation from the Energy Division, along with the U.S. Minerals Management Service regarding compliance monitoring of offshore oil and gas platforms. The Board directed staff to continue to monitor the type and frequency of platform inspections by public agencies and prepare a quarterly report. The Board also asked for information on related onshore processing and transport facilities and other large, complex facilities such as the Santa Maria Asphalt Refinery. On July 6, 2004, the Board received and took public comments on the report for the 1st quarter of 2004.

This report transmits inspection data and information regarding offshore platforms in federal waters of the Santa Barbara Channel and Santa Maria Offshore Basin, as well as onshore and near-shore facilities that process, store, and transport product. The inspection information is for the second quarter of 2004 (April to June). This has been a cooperative effort with the U.S. Minerals Management Service (MMS) and local agencies that sit as the System Safety and Reliability Review Committee (SSRRC). The methods, results, adequacy, and verification of platform inspections by the MMS are regulated by Federal standards.

Minerals Management Service (MMS)

During the second quarter of 2004, the MMS conducted inspections at each of the 15 platforms in federal waters off of Santa Barbara County, plus at metering stations at Las Flores Canyon, Lompoc, and Gaviota (Exhibit 1, attached). The following table provides a comparative analysis of those inspections by type, frequency and location.

TYPE OF MMS INSPECTION	TOTAL NUMBER OF INSPECTIONS	NUMBER OF FACILITIES	NOTES
Complete Production Annual (PC/A)	6	6	Harvest, Henry, Hillhouse, Hogan, Hondo & Houchin
Partial Production (PP-1, 2, 3, 4)	21	15	All 15 Platforms
Compliance Inspection (AU)	7	6	A, B, C, Hermosa, Hidalgo, & Hillhouse
Complete Drilling (DR)	1	1	Hidalgo
Partial Drilling (DP)	9	3	Heritage, Hidalgo & Hondo
Well Abandonment (AB)	0	0	
Well Completion (CO)	0	0	
Well Workover (WO)	1	1	Irene
Meter (Oil, Gas) (MT/O, G)	6	4	Gaviota, Habitat, Las Flores, & Lompoc
EPA (EP)	7	7	A, Habitat, Harmony, Harvest, Henry, Hermosa & Hidalgo
Oil Spill Exercise (OS)	3	3	Harvest, Heritage & Houchin
Accident Investigation (AI)	0	0	
Environmental (EN)	52	18	All 15 platforms, Gaviota, Las Flores, & Lompoc facilities
Flaring (FL)	7	6	Harvest, Henry, Hillhouse, Hogan, Hondo & Houchin
Hydrogen Sulfide (HS)	32	15	All 15 platforms
Pipeline (PL)	9	7	Harvest, Henry, Hillhouse, Hogan, Hondo, Houchin & Irene
USCG Safety Guidelines (SG)	26	15	All 15 platforms
Site Security (SS)	6	4	Gaviota, Habitat, Las Flores & Lompoc
TOTAL	193		

The MMS conducted a variety of inspection types at each platform during the quarter. Each of the 15 platforms had at least one partial production inspection (PPI). A total of 21 partial production inspections occurred during this quarter. Six complete annual production inspections were also conducted. Each of the platforms in north county waters (Harvest, Hermosa, Hidalgo and Irene) had at least 3 separate days of inspection. Inspections for the platforms off the Gaviota coast consisted of Heritage having 6 days, Harmony having 2 days, and Hondo having 5 days of inspections. Each of the platforms off Carpinteria had at least 2 separate days of inspection. In total, 193 categories of inspection were conducted over 61 inspection days. Those inspections found 33 incident's of non-complacence. The MMS provides details and perspectives in Attachment 1.

Systems Safety and Reliability Review Committee (SSRRC)

The SSRRC Quarterly Report Table (Exhibit 2, attached) provides compliance monitoring data on 10 on-shore/near-shore facilities annually inspected and audited. The SSRRC sets compliance schedules and deadlines and reviews progress at monthly meetings. A summary of deficiencies is as follows.

FACILITY	IDENTIFIED PRIORITY 1 AUDIT ITEMS	IDENTIFIED PRIORITY 2 AUDIT ITEMS	OUTSTANDING PRIORITY 1 DEFICIENCIES	OUTSTANDING PRIORITY 2 DEFICIENCIES
Arguello - Gaviota Oil Heating Facility	0	8	0	2
ConocoPhillips – Pipelines & Pump Sta.	3	6	0	0
ExxonMobil Processing Plant	1	0	0	0
Greka Energy – S.M. Asphalt Refinery	7	1	7	1
GTC Gaviota Oil Storage Facility	1	1	0	0
Hallador Cuyama Gas Plant	6	8	0	0
Nuevo Lompoc Processing Plant	10	10	1	1
POPCO Gas Plant @ Las Flores Canyon	0	0	0	0
Venoco Ellwood Marine Terminal	1	7	0	0
Venoco Ellwood Onshore Facility	5	10	0	2
TOTALS	34	51	8	6

Three annual audits (ExxonMobil, Greka & POPOC) and one leak detection system inspection (Arguello) occurred during this quarter. For all ten facilities under the oversight of SSRRC, a total of 9 Priority 1 and 6 Priority 2 items are outstanding and the SSRRC monitors the progress of these items at monthly meetings. Several SSRRC annual audits are currently underway or in the planning stages. The comparison chart of the three reported quarters is as follows:

	Priority 1 Audit Items	Priority 2 Audit Items	Priority 1 Outstanding	Priority 2 Outstanding
Second Quarter 2004	34	51	8	6
First Quarter 2004	37	61	6	11
Fourth Quarter 2003	37	61	11	29

County Office of Emergency Services (OES)

The County, through the auspices of the Fire Department - Office of Emergency Services, provides an additional layer of safety/risk review and environmental protection for the onshore facilities and refinery. OES conducts emergency response drills at each of the facilities, at least annually, and more often if warranted. The information adds to the picture of the day-to-day oversight and coordination among County, State and Federal agencies charged with the responsibility of regulating these large, complex oil and gas facilities. No drills were scheduled during this quarter.

Concluding Remarks

The quarterly inspection data was reviewed by the Systems Safety and Reliability Review Committee at its August public meeting. The inspection data is also posted on the Energy Division website at www.countyofsb.org/energy.

Mandates and Service Levels: None

Fiscal and Facilities Impacts: Expenses incurred in analyzing and preparing this report are budgeted in Fund 0001, Program 5000, General Administration as shown on page 296 of the FY 2003-2004 Budget.

Special Instructions: None

Concurrence: N/A

Exhibits:

Quarterly Report, Tables of Inspections, Audits and Drills for 2nd Quarter 2004

1. MMS Inspections, Drills and Audits
2. County of Santa Barbara SSRRC Inspections and Audits

Attachments:

1. Letter dated August 6, 2004 from U.S. Minerals Management Services