October 28, 2016

Board of Supervisors
Santa Barbara County
105 E. Anapamu Street
Santa Barbara, CA 93101

Re: **Denial of PCEC Appeal of Orcutt Hills Resource Enhancement Plan and Approval of Seep Can Only Alternative**

Dear Honorable Supervisors:

The following comments are submitted by the Environmental Defense Center ("EDC") on behalf of the Sierra Club Los Padres Chapter ("Sierra Club") and Santa Barbara County Action Network ("SBCAN"), urging the Board of Supervisors ("BOS") to (I) support the Planning Commission ("Commission") decision, and deny Pacific Coast Energy Company's ("PCEC") appeal of the Commission's denial of the Orcutt Hill Resource Enhancement Plan ("Project"), and (II) approve the Seep Can Only Project. With respect to the Seep Can Only Project, we urge the BOS to require public notice when permits for future seep cans are issued.

EDC is a non-profit, public interest law firm that protects and enhances the environment in Santa Barbara, Ventura, and San Luis Obispo Counties through education, advocacy and legal action. The Sierra Club, a national nonprofit organization with roughly 146,000 members in California, is dedicated to exploring, enjoying, and protecting the wild places of the earth; to practicing and promoting the responsible use of the earth's ecosystems and resources; to educating and encouraging humanity to protect and restore the quality of the natural and human environment; and to using all lawful means to carry out these objectives. SBCAN is a countywide grassroots organization that works to promote social and economic justice, to preserve our environmental and agricultural resources, and to create sustainable communities. All of our clients have members who live, visit, work, and recreate in the area and would be affected by the Project.

At the October 11, 2016, BOS hearing for PCEC's appeal, the applicant submitted a letter that requested approval of the Final Environmental Impact Report's ("FEIR") Careaga Exclusion Alternative, and included a list of new project components in an attempt to mitigate some of the

Project's impacts. Since neither the Staff, the BOS, nor the public had time to review this eleventh hour information, the hearing was continued to November 1, 2016, and staff was directed to provide an analysis of the new information presented to PCEC at the hearing, and a comparison of the Careaga Exclusion Alternative and the Careaga and California Tiger Salamander ("CTS") Exclusion Alternative.

However, after reviewing the November 1 Staff Report, it appears PCEC is slipping in another round of last minute project changes, providing the public with little more than 24 hours to review and submit timely comments to the BOS. For instance, the Staff Report erroneously asserts that PCEC presented to the BOS at the last hearing "a draft Habitat Conservation Plan *and conservation easement*" for the CTS, when there has been no prior public disclosure or description of a CTS conservation easement until now. Additionally, the Staff Report includes, in Table 1, new changes to the number of wells associated with each Alternative that are very different from the FEIR, citing only to "[P]ers. comm. with R. Breitenbach, PCEC. October 18, 2016" as authority. While these newly reduced well numbers are presented for comparison of the Careaga Exclusion Alternative and the Careaga and CTS Exclusion Alternative in the Staff Report, the Conditions of Approval for still allow for the drilling of all 96 new wells and all 48 replacement wells.

As the applicant, PCEC has already had years, and an infinite number of opportunities to change its Project and provide meaningful mitigation measures - yet they refused to do so. PCEC has had years to mitigate for the unlawful destruction of endangered species and loss of habitat on their site – yet they have refused to do so. PCEC has had years to clean up their oil operations – yet since 2010, they have been in the top 3 polluters for number of oil spills annually in our County. Instead of being distracted by last minute Band-Aids used to patch up a dirty and risky oil project, the BOS must deny the Project, direct the County to strengthen its enforcement practices and hold PCEC accountable for its current seeping operations.

As discussed in Section III, PCEC's "new information" does not actually serve to effectively mitigate any of the Project's Class I impacts, even when combined with the Careaga Exclusion Alternative or the Careaga and CTS) Exclusion Alternative. The evidence in the record is clear; PCEC's intensive oil extraction operations have resulted in nothing short of ninety-nine oil seeps, twenty-three oil spills, ten Notices Of Violations ("NOV"), and the loss of six acres of sensitive habitat and 360 endangered Lompoc Yerba Santa ("LYS") plants. Most importantly, PCEC has failed to follow through with its agreements to mitigate for these past violations. The FEIR provides substantial evidence that approval of any more cyclic steam drilling at this site will only bring more of the same pollution and failed promises. The only responsible action the BOS can take in the best interest of our community is to focus on enforcing PCEC's obligations to clean up the Project site and mitigate the loss of species and habitat from the company's existing operations.

EDC's letter will first include a summary of relevant Project facts in Section I. Sections II and III will comment on the value of the new information and provide an analysis of its impact in combination with two of the FEIR's alternatives, the Careaga Exclusion Alternative and the Careaga and CTS Exclusion Alternative. Section IV provides a summary table that accurately compares the impacts and new information in each Project alternative. Section V identifies Comprehensive Plan inconsistencies with each alternative, and Section VI discusses the lack of evidence to sustain any finding that the Project's benefits would outweigh its significant and unavoidable impacts. Lastly, Section VII addresses deficiencies in the FEIR that preclude the BOS from certifying it.

I. Summary of Relevant Facts and New Information

1. PCEC has an extensive history of oil spills, in addition to the ninety-nine oil seeps on site.

- According to the County's 2015 Report to the BOS on oil spills, between 2010 and 2015 PCEC had twenty-three Crude Oil Spills and ten Notices of Violations;[1]

- Nineteen of these reported crude oil spills are in addition to the ninety-nine seeps to date;[2]

- PCEC has been in the top three for highest number of crude oil spills in the County in the last five out of six years, out of the twenty to twenty-five onshore oil operators in Santa Barbara County from 2010-2015, surpassing Greka Oil and Gas, Inc. in total amount of petroleum fluids released.[3]

- In 2015, PCEC was #1 in the County for having the highest number and volume of crude oil spills.[4]

2. The FEIR concludes that oil seeps, spills, cracks and surface expressions are expected to continue whether drilling on or off the Careaga formation, if any of the Project alternatives are approved.

- PCEC's cyclic steam drilling has substantially increased the frequency of oil seeps on the Project site and these seeps have occurred both on and off the Careaga formation. (FEIR at 2-14) The FEIR also concludes that oil seeps will still occur even if the applicant drills wells off the Careaga formation. (FEIR at 5-7)

- "[W]hile seep activity has been reduced, the rate of 5 seeps in the year 2015 indicates that seep activity is continuing, even after the extensive modifications and monitoring implemented by PCEC. In addition, the most recent seeps have occurred in the south

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[1] Errin Briggs, Energy Specialist, Energy Division, *Briefing on Oil and Gas Development in Santa Barbara County* (September 2, 2015); email from Errin Briggs with updated spill report for 2015. (Attachment A)
[2] Email from Errin Briggs, Energy Specialist, County of Santa Barbara, to Alicia Roessler, Staff Attorney, Environmental Defense Center (October 21, 2016).
[3] See Attachment A.
[4] *Id*.

portion of the field, where the Careaga tar zone is deeper. Many of the seeps have occurred in areas where the Careaga tar zone is deeper." (FEIR at 10-Applicant-35)

- An increase in oil seeps at this site has been created as a result of steam injection induced ground uplift, or heaving, and surface cracks have been observed on site and occur at almost every pod where PCEC has drilled to date. These cracks have also caused an increase in oil seeps and are related to PCEC's injection of excessive steam and water into the ground. The risk from these cracks and oil seeps can occur whether drilling on or off the Careaga formation. (FEIR at 4.8-12-13)

- Whether PCEC drills on or off the Careaga formation, the potential for surface expressions of oil (which result from well equipment failures) remains unchanged and poses a significant impact to the site's numerous sensitive habitats and water resources. (FEIR at 4.8-13-14) PCEC's equipment failure has already caused four surface expressions of oil to date.

- PCEC has already closed and re-drilled nineteen steam injection wells due to uncontrolled seeps at Pods 1 and 3 that forced PCEC to shut down those wells. (FEIR at 2-12 & 4.8-10) Pod 1 had 50 seeps associated with it. (FEIR at 4.8-10) These nineteen re-drills were not authorized under the 2006 Mitigated Negative Declaration ("MND"), and were instead allowed with merely a Land Use Permit ("LUP"). (Attachment B)

3. **PCEC's alleged Project "benefits" are illusory and not based on any evidence in the record.**

- Economic benefit to the County is uncertain at best as future tax revenue cannot be predicted or relied upon, according to the County Assessor.

- To put it in perspective, using PCEC's annual combined property tax bill from all of its drilling activity on all of its Orcutt Hill parcels would still only amount to less than a fraction of a percent of Santa Barbara County's 2014 tax revenue. [5]

- The Project only provides for the addition of temporary jobs lasting less than a year.

4. **PCEC's cyclic steam drilling Project does require freshwater from local wells – 1.8 Million gallons.**

- A total of 1.8 M gallons of freshwater will be use for drilling the Project's 144 new wells in one of the worst droughts in the history of Santa Barbara County. (FEIR at 4.8-17)

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[5] Robert W. Geis CPA Santa Barbara County Auditor – Controller, *Property Tax Highlights County of Santa Barbara Fiscal Year July 2013 to June 30, 2014* (2014).

- PCEC (known as Breitburn in 2005) also operated a pilot cyclic steam drilling project on the Project site that used freshwater for its daily cyclic steam injection process purchased from the City of Santa Maria, as well as drilling.[6]

5. PCEC's draft Habitat Conservation Plan and/or "conservation easement" does not mitigate impacts to the CTS.

- The Habitat Conservation Plan ("HCP") application, or conservation easement, if approved, would still allow PCEC's Project to destroy the same CTS upland habitat on the Project site that the FEIR classified as a Class I impact. As stated by the County in the November 1, 2016 staff Report, an application for a draft HCP/ conservation easement does not reduce or avoid this impact identified in the FEIR.

6. PCEC cannot buy a Class II Impact to the LYS.

- PCEC's operations have already destroyed 360 endangered LYS without notifying or consulting with US Fish and Wildlife Service ("FWS") or California Department of Fish and Wildlife ("CDFW"), and PCEC has violated its agreement with Santa Barbara County to mitigate this loss at a ratio of 10:1. (FEIR at 4.3-48)

- The FEIR concludes that impacts to LYS are significant and unavoidable; agreeing to fund a non-existent project to propagate and restore LYS - a feat not ever successfully done in the wild – does not constitute feasible or effective mitigation.

II. <u>The Project, the Careaga Exclusion Alternative and the Careaga and CTS Exclusion Alternative All Have Remaining Class I Significant and Unavoidable Impacts</u>.

Both of the Alternatives will still involve many of the same Project components, such as species and habitat removal from pad expansions, the construction and installation of 10,000 feet of pipeline, and the continuation of oil seeps, oil spills, surface expressions and cracks that occur as a result of cyclic steam drilling both on and off the Careaga formation. As a result, approval of either of these Project Alternatives would result in the same Class I impacts to endangered species, sensitive habitats and water quality, as confirmed by the November 1, 2016 Staff Report in Table 1. These impacts would be compounded and cumulatively considerable given PCEC's failure to mitigate for the destruction of habitat and species from its existing operations spanning the last ten years.

A. The Careaga Exclusion Alternative still results in the same Class I impacts.

EDC's October 6, 2016, letter corroborates the October 11, 2016, Staff Report and FEIR's conclusions that the Careaga Exclusion Alternative will still result in Class I impacts to Water Quality and Hydrology and Biological Resources, including CTS habitat and impacts to LYS. In fact, the FEIR concludes that each of the Project Alternatives that involves drilling

[6] BreitBurn Energy Orcutt Hill Diatomite Project, Revised Final MND, p. 9.

additional wells using cyclic steam technology would result in significant and unavoidable impacts from future oil seeps, surface expressions and spills. (FEIR at 5-7)

As the October 11, 2016, Staff Report discloses, the Careaga Exclusion Alternative, which precludes drilling on the Careaga formation, does not eliminate potential impacts from seeps as falsely alleged in PCEC's appeal. (PCEC Appeal, Attachment A, p. 2; see Staff Report at pp. 3, 5) Several seeps have already occurred outside the Careaga formation from existing cyclic steam wells. (FEIR at 5-9) The FEIR's analysis of this Alternative concluded that there is still potential for additional future seeps from drilling outside the Careaga formation and cited to several seeps that occurred near the proposed Project wells outside the Careaga zone. (FEIR at 5-7). Moreover, an increase in oil seeps at this site has also been created as a result of steam injection induced ground uplift, or heaving, and surface cracks have been observed on site and occur at almost every pod where PCEC has drilled to date. (FEIR at 4.8-12-13) These cracks are related to PCEC's injection of excessive steam and water into the ground. (FEIR at 4.8-12-13) The risk from these cracks and oil seeps can occur whether drilling on or off the Careaga formation. (FEIR at 4.8-12-13) As a result, the FEIR identifies the same Class I impacts for this alternative as it does for the Project.

Additionally, the potential for surface expressions is not eliminated or reduced by approving the Careaga Exclusion Alternative, as they originate from the Diatomite formation and not the Careaga zone. (FEIR at 5-7) PCEC has already had four surface expressions from well casing failures that resulted in a surface fracture, steam release and oil spilling onto the surface. (FEIR at Appendix A, p. 1629). Thus, this Alternative would not reduce impacts caused by surface expressions.

B. The Careaga and CTS Exclusion Alternative still results in the same Class I Impacts.

The November 1, 2016, Staff Report and the FEIR conclude that this Alternative would still result in Class I impacts to CTS, Water Quality and LYS.[7] (FEIR at 5-17) Per USFWS's recommendation, the FEIR was corrected to identify that CTS range 1.3 miles (not 2,200 ft.) from breeding ponds – which encompasses the entire Project site. (FEIR at 4.3-17, 4.3-29) Although no pods or wells would be installed within the 2,200 foot buffer zone surrounding breeding ponds under this Alternative, it would still allow for destruction of upland CTS habitat between 2,200 feet and 1.3 miles from ponds from the construction of pods, pipelines, and the potential for oil seeps and spills. (FEIR at 5-17) The FEIR's Mitigation Measure 1a was not corrected to mitigate impacts to CTS upland habitat within 1.3 miles of ponds. As a result, this measure would only mitigate lost habitat within 2,600 feet of ponds, and thus would not mitigate the majority of upland CTS habitat destroyed by drilling on this site. (FEIR at 4.3-54)

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[7] Glenn Russell, Director of SB County Planning and Development, Staff Report re PCEC Orcutt Hill Enhancement Plan Project at 3 (November 1, 2016).

III. PCEC's New Information Fails to Avoid or Significantly Reduce Class I Impacts to the Endangered CTS and Lompoc Yerba Santa.

PCEC's new mitigation measures – an unapproved application for a draft Habitat Conservation Plan for the CTS, and payment into an unknown "research" fund for Yerba Santa - do too little too late and fail to avoid or reduce the Project impacts to less than significant.[8]

A. PCEC's application for an HCP does not mitigate Class I impacts to CTS habitat.

The entire Project site is upland habitat for the endangered CTS and many aspects of drilling on this constrained project site will result in a significant and unavoidable Class I impact to the CTS habitat. (FEIR at 4.3-42-43) PCEC's existing steam drilling has already destroyed over six acres of CTS habitat from oil seeps and spills. Part of the new information PCEC presented at the last hearing was put forth in an effort to mitigate impacts to CTS. PCEC's new information consisted of a letter from USFWS confirming that on October 5, 2016, PCEC submitted a last minute permit application for an Incidental Take Permit for the endangered CTS and a "draft" HCP.[9]

Contrary to PCEC's claims, a draft HCP does not meet CEQA's standard for mitigation, as confirmed by County Counsel at the October 10 BOS hearing. The proposed draft HCP is speculative and uncertain, as it is merely an application for an HCP, and according to USFWS may never be approved or may be very different than currently envisioned.[10]

Moreover, the HCP application would fail to mitigate impacts to the CTS because:

1. The HCP application, if approved, coupled with the Project, would still result in a net loss of CTS upland habitat. The HCP, if approved, would still allow PCEC to destroy the same CTS upland habitat, where CTS spend a majority of their time. In exchange, the HCP application allegedly proposes to protect lowland breeding habitat plus some upland habitat that is located offsite, "adjacent to the Project location."[11] It is not yet known which geographical area will be encompassed by the draft. The Class I impact to CTS habitat identified in the FEIR is from loss of *upland* habitat. As staff (Erin Briggs) stated at the October 11, 2016 BOS hearing, protecting or managing lowland breeding ponds *does not mitigate for loss of CTS upland habitat on the Project site.*

2. The HCP, if approved, would still authorize PCEC's operations to kill or otherwise harm CTS.

[8] *Id*.
[9] Letter from Shivaun Cooney, Latham & Watkins LLP, to SB County BOS (October 7, 2016).
[10] Email from Colette Thogerson, Assistant Field Supervisor, USFWS to Brian Trautwein, Environmental Analyst/Watershed Program Coordinator, Environmental Defense Center (October 14, 2016).
[11] Letter from USFWS Letter to Errin Briggs, County of Santa Barbara (October 5, 2016).

3. The draft HCP is intended to only protect CTS breeding ponds adjacent to the Project site, *which are already protected under the Endangered Species Act*. Thus, PCEC is not adding any further protection to the CTS by agreeing to not destroy CTS habitat in the offsite HCP area.

B. PCEC's new information does not mitigate impacts to Lompoc Yerba Santa.

A mitigation measure must be feasible and able to minimize significant adverse impacts, and there must be substantial evidence in the record showing that the measure will be effective. CEQA Guidelines section 15126.4(a)(2); *Sierra Club v. County of San Diego* (2014) 231 Cal App 4th 1152; *see also Federation of Hillside & Canyon Associations v. City of Los Angeles*, 83 Cal.App.4th 1252 (2000). At the last hearing PCEC presented a proposed mitigation measure to donate $25,000 per year for five years to support research to determine whether LYS can be propagated in the wild.[12] However, $125,000 does not ensure that LYS restoration will be viable and that the loss of any LYS will actually be mitigated. In fact, the evidence in the record from the FEIR shows that LYS has never been restored in the wild and that it is highly unlikely. (FEIR at 4.3-54) LYS propagation was recently attempted by PCEC and the Santa Barbara Botanic Garden ("Garden"), but, according to the correspondence from the Garden, efforts failed.[13] The USFWS also informed the County that LYS restoration in the wild has never been successful.[14] Funding research does not ensure successful restoration and does not buy a Class II Impact to LYS. Thus, as noted in the Staff Report, PCEC's attempt to fund LYS research does not serve as legally sufficient mitigation for the Project's Class I impact to this species.

Moreover, there is no evidence that LYS "increased to nearly 300%" on the Project site, as falsely asserted by PCEC.[15] According to the County's contracting biologist, *the 2016 survey, which included the entire Project site, covered a considerably larger area than the 2008 survey, which included only part of the Project site.*[16] This population is uniquely adapted to the Project site's warmer, drier conditions and is therefore essential to the species' survival during climate disruption.[17] However, as already discovered during PCEC's prior steam drilling on the Project site, LYS exists under serious threat from ongoing seeps.

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[12] *Id.*
[13] Email from Denise Knapp, Ph.D, Director of Conservation and Research, Santa Barbara Botanic Gardens, to Brian Trautwein, Environmental Analyst / Watershed Program Coordinator, EDC (June 17, 2016).
[14] Letter from USFWS, to County of Santa Barbara, Comment letter on Draft EIR for PCEC, at 9–10 (April 3, 2015).
[15] Letter from Shivaun Cooney, Latham & Watkins LLP, to SB County BOS (October 7, 2016).
[16] Letter from Rebecca Alvidrez, Staff Biologist/ Botonist, Chambers Group, to Phil Brown, PCEC, at 1-2 (June 24, 2016); See also PCEC testimony to BOS, on October 11, 2016, where PCEC acknowledged that the survey areas encompassed different acreages; see also email from Peter Cantle, Santa Barbara County Energy Division to Brian Trautwein, Environmental Analyst/Watershed Program Coordinator, forwarding email from County contracting biologist John Storrer to Peter Cantle, Santa Barbara County Energy Division, noting that differences in survey methods and areas surveyed is "an issue when making such comparisons (i.e. differences in survey method could influence results)" (October 6, 2016) see Attachment C.
[17] Letter from USFWS at 7 – 8.

IV. Comparison of Impacts Regarding Project Alternatives, New Information and Existing Operations.

The following table provides a summary comparison of impacts from the proposed Project, the Careaga Exclusion Alternative, the Careaga & CTS Exclusion Alternative, the new information presented by PCEC, and existing operations.

	Project	Careaga Excl. Alt.	Careaga & CTS Excl.	New Information	PCEC's existing operations on site
Impacts to endangered Lompoc Yerba Santa	Class I	Class I	Class I	Class I Does not mitigate loss of species	360 LYS destroyed; Failed to notify USFWS or CDFG of "take;" Failed to conduct required mitigation for LYS in the 2006 MND.
Impacts to CTS Habitat	Class I	Class I	Class I	Class I Does not mitigate loss of upland habitat	6.09 acres of habitat loss to sensitive species - including CTS
Impacts to Hydrology & Water Quality	Class I	Class I	Class I	Class I	Unknown; likely significant given history of spills, seeps and surface expressions
Requires use of freshwater?	Yes – 1.8 Million Gallons used to drill 144 wells	Yes	Yes	Yes	Yes – for both steam generation and drilling in 2005 and 2006 projects
Oil seeps	Yes	Yes	Yes	Yes	99 to date
Oil Surface Expressions	Yes	Yes	Yes	Yes	4
Oil spills	Yes	Yes	Yes	Yes	23 oil spills from 2010-2015

V. The Project, the Careaga Exclusion Alternative and the Careaga and CTS Exclusion Alternative Are Not consistent with the County's Comprehensive Plan.

EDC's June 27 and October 6 letters, and the October 11 Staff Report identify an inconsistency with Comprehensive Plan Land Use Element Hillside and Watershed Policy #2 because "the Project will result in significant and unmitigable impacts to the site's natural features and native vegetation, including Lompoc yerba santa, and trees including Southern Bishop pine stands, which will not be preserved to the maximum extent feasible." [18] There is substantial evidence in the record that both Alternatives will still cause the same Class I impacts, and that PCEC cannot conduct cyclic steam drilling on this site without continuing and expanding a nuisance situation from oil seeps and spills. Thus, any project that allows additional drilling on this site will conflict with this Comprehensive Plan policy.

The Project is also inconsistent with Land Use Element Hillside and Watershed Policy #7 becase seeps and spills will impact the water quality of nearly streams and wetlands.

Finally, EDC's June 27 letter also identifies several inconsistencies with the Project and the Conservation Element and the Orcutt Community Plan that also hold true for both the Careaga Exclusion Alternative and the Careaga and CTS Exclusion Alternative due to the loss of sensitive species and habitat from past and future oil seeps and spills, and grading and pipeline construction.

VI. Statement of Overriding Considerations: There is No Evidence in the Record to Prove the Project or Alternatives will have Any Benefits that Outweigh the Significant and Unavoidable Impacts.

In order for an agency to approve a project which identifies one or more significant environmental effects the agency must make findings supported by substantial evidence in the record. Pub. Res. Code § 21081; CEQA Guidelines § 15091. For the Project at hand, the findings fail to acknowledge several Class I impacts (described in EDC June 27, 2016 letter to the Planning Commission) and are not supported by the evidence.

For example, in addition to the Project site's existing ninety-eight oil seeps, and the resulting impacts to six acres of native habitat and 360 destroyed and lost Yerba Santa plants, the FEIR discloses that PCEC's drilling expansion Project will add four Class 1 impacts: 1) to Sensitive Species for the federally endangered Lompoc Yerba Santa; 2) to Sensitive Species Habitat for the federally listed endangered CTS and Lompoc Yerba Santa; 3) to Hydrology/ Water Quality from more potential seeps and surface expressions that could contaminate our local surface and groundwater; and 4) to Hydrology/Water Resources from leaks and/or ruptures from the facility or pipelines. (FEIR, ES-14-15 and ES-23 - 24) However, as discussed in EDC's June 26 letter, the FEIR also failed to disclose additional Class I impacts to: 1) Air Quality from failure to accurately describe environmental setting and disclose air emissions; 2) Air Quality

[18] October 11, 2016 Staff Report, Attachment 1, Findings for Project Denial.

from deadly H2S emissions; 3) Biological Resources resulting from potential take of the CTS and Lompoc Yerba Santa and inadequate mitigation; 4) Biological Resources from the effect of spills, surface expressions and seeps on Federal Wetlands, Wildlife Migration Corridors and Plants and Wildlife; and 5) Biological Resources from impacts to the Bishop Pine Forest.

In light of the identified Class I impacts, the proposed Statement of Overriding Considerations in Attachment 1 to the November 1, 2016, Staff Report puts forth many alleged Project benefits that lack any support or evidence in the record, including five "economic benefits," benefits to the CTS and LYS, and benefits to Air Quality. In order to approve the Project in accordance with CEQA, the BOS must make findings, based on substantial evidence, that these benefits outweigh the unavoidable adverse environmental degradation from the Project's multiple Class I impacts. CEQA Guidelines § 15093.

As shown below, the "benefits" identified, however, are not supported by *any* evidence, let alone substantial evidence. Substantial evidence must be based on fact and does not include "speculation" or "unsubstantiated opinion or narrative." CEQA Guidelines § 15384.

1. *Economic Benefit – Domestic Oil & Gas Production*

The Findings propose that the Project will "contribute' to domestic oil and gas production in an effort to meet the State's demand for fossil fuels while it continues to search for strategies to reduce its carbon footprint. In essence, the Finding suggests that PCEC's proposed 100M investment into fossil fuels and this Project, and all the environmental damage that results, is necessary to help California ultimately reduce its carbon footprint. Needless to say, there is no evidence to support this Finding. Moreover, the Project will only minimally contribute to domestic oil and gas production. According to the U.S. Energy Information Administration, US oil production in 2015 was 9,431,000 bpd and California's oil production was 553,000 bpd - which means all the oil production combined in CA contributes only 5.86% to domestic production, while the Project's oil production is just a drop. [19]

Interestingly, the FEIR's Project Description fails to disclose precisely how many bpd the Project's 96 wells will actually contribute and instead discloses an inflated number of 3600 bpd because it combines both existing and new wells, counting oil production from 192 wells in total. There is **no** evidence of the production from this Project, so it is impossible to make a finding as to the Project's effect on California's energy supply. Even the combined production – 3600 bpd – is less than 1% of the State's oil supply.

2. *Economic Benefit – Addition of Temporary and Construction Jobs*

The Finding makes a very broad statement that the Project will provide for 35-75 "temporary" construction and drilling jobs for contractors. There is **no** evidence to support how

[19] US Energy Institute Administration, Crude Oil Production 2010-2015, https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbblpd_a.htm, viewed on June 27, 2016.

as little as 35 temporary jobs filled by potentially non-local contractors could offer a meaningful economic benefit.

3. *Economic Benefit – Addition of Direct Permanent Jobs*

This Finding concedes that the oil and gas industry is "more capital intensive than labor intensive" – meaning these companies invest far less in people than they do equipment. Regardless, this Finding fails to disclose exactly how many direct permanent jobs will be added from **this** Project, and only discusses that PCEC employs 50-55 people for **both** existing and new operations on all of its parcels on Orcutt Hill field, and that the balance of those positions are for contractors (not a direct permanent job) with no identification as to whether they are even local hires. Thus, there is **no** evidence to support a Finding based on new jobs from the proposed Project.

4. *Economic Benefit – Indirect and Induced Job Creation*

Again, there is **no** Project specific information given to support this Finding, only a vague discussion of how the "oil and gas industry creates forwards and backwards linkages in the economy."[20] The only evidence cited is a Study summing up the entire onshore oil and gas industry.

5. *Economic Benefit – Increase Property Tax to County*

This Finding states that no estimate of annual property tax revenue can be generated for the Project; thus it admits there is **no** evidence to support that there is a project specific economic benefit to support the SOC. The County's June 9, 2016, Staff Report confirmed that the Assessor's office is unable to provide any estimates of future tax revenues. The Staff Report then discloses that PCEC has in the past paid between $2.7 and $4.7 million between 2012 and 2015 for "all of PCEC's oil and gas operations on Orcutt Hill" – not just existing activities limited to the Project's parcel. This distinction is important and should not be misused to inflate or forecast any speculative increase in property taxes as a result of this Project. To put it in perspective, even using all of PCEC's property taxes from all of their drilling activities on all of their Orcutt Hill parcels, would still only amount to less than a fraction of a percent of Santa Barbara County's 2014 property tax revenue, which raised $651 million.[21] Thus, any increase in expected property tax from the Project would be less than a fraction of one percent of the County's property tax revenue.

6. *Local Economic Benefit – Project Labor Agreement*

According to this Finding, a new Project Labor Agreement binds PCEC to give future, temporary, short-term, construction jobs to local union workers; however, there is no evidence in

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[20] Staff Report, Attachment 1 at 9 (November 1, 2016)
[21] Robert W. Geis CPA Santa Barbara County Auditor-Controller, *Property Tax Highlights County of Santa Barbara Fiscal Year July 1 2013 to June 30, 2014* (2014), attached hereto as Attachment C.

the record that supports this statement. There is also no evidence in the record that the number of jobs covered by this agreement, and what percentage of PCEC's workforce was actually hired locally, and how many of those jobs provide long-term, high paying employment. In comparison, there is substantial evidence in the record documenting the numerous significant environmental impacts if PCEC's project is approved. In any event, these jobs would last less than a year, as compared to the many years the Project will have a devastating impact on the environment.

7. *Benefit to CTS - no benefit at all*

The Project and Alternatives all result in Class I impacts to CTS habitat. As discussed above, and corroborated by County Counsel and the November 1, 2016, Staff Report, PCEC's last minute submission to USFWS of a draft HCP does not mitigate the Class I Impact to CTS Upland habitat on the Project site. If it cannot serve to lessen or avoid the Project's significant Class I impact to CTS, it certainly cannot be considered to "benefit" the CTS either. In other words, how can the Project simultaneously cause significant and unavoidable impacts to the CTS and then also serve to "benefit" the CTS? There is no evidence that could possibly support such an absurd finding.

Lastly, as mentioned above, there was no mention or disclosure of a proposed CTS "conservation easement" by PCEC at the last BOS hearing. It is not identified or discussed in the USFWS letter confirming PCEC's application for an HCP, nor was it disclosed in any of PCEC's letters. The only mention of this new alleged "benefit" is in the November 1, 2016, Staff Report. Still, there is no description of this new conservation easement, no agreement, no disclosure of terms, and certainly no evidence in the record that this phantom CTS conservation easement will provide such an astonishing benefit to the CTS that all of the Project's documented past and future impacts to CTS habitat will just be erased.

8. *Benefit to LYS Fund - no benefit at all*

As discussed above, there is no evidence in the record to support a finding that PCEC's proposal to fund another yet undefined, non-existent research project will serve to mitigate or double as benefit for a project that has Class I impacts to LYS. As stated earlier, there is no evidence in the record that shows LYS propagation in the wild is feasible, in fact, all the evidence proves that it is not.

9. *GHG Mitigation to Zero – no benefit at all*

Mitigating the Project's direct emissions to zero simply avoids a significant impact but does not provide a benefit. In addition, the mitigation does not reduce *indirect* emissions that will result from the processing, refining, transporting and consumption of the oil and gas produced by the Project.

As shown, there are no Project-specific benefits identified in the County's Findings, and no evidence in the record to support a SOC, only generic, unsupported statements pertaining to the oil and gas industry at large and a few nonsensical attempts to cast legally insufficient mitigation as a project benefit. No matter how you package it, PCEC's eleventh hour proposals do not serve as mitigation, and certainly do not pass muster as a Project benefit.

There is simply no legal basis for approval of this Project given the multiple Class I impacts that remain unmitigated and the lack of evidence in the record to support the County's findings per CEQA. When compared to PCEC's appalling history of oil seeps and spills, and the resulting species and habitat loss, the BOS cannot support a SOC based on the scarce evidence in the record of any benefit. None of PCEC's attempts to change the wrapping on the Project provide any real, documented, legally defendable benefits nor serve to as effective mitigation.

VII. <u>The Final EIR cannot be certified.</u>

The EIR is the "heart of CEQA;" it is the environmental alarm bell whose purpose is to alert the public and its responsible officials to environmental changes before they have reached ecological points of no return." *Citizens of Goleta Valley v. Bd. of Supervisors*, 52 Cal. 3d 553, 564 (1990) (citing CEQA Guidelines § 15003(a)); *County of Inyo v. Yorty* 32 Cal.App.3d 795, 810 (1973). Preparation of an adequate EIR is necessary "not only to protect the environment but also to demonstrate to the public that it is being protected." CEQA Guidelines § 15003(b). The requirements of CEQA must be interpreted so "as to afford the fullest possible protection to the environment within the reasonable scope of the statutory language." *Friends of Mammoth v. Bd. of Supervisors* 8 Cal.3d 247, 259 (1972).

In EDC's June 27, 2016, letter to the Planning Commission, we identified several deficiencies in the FEIR related to the failure to disclose and mitigate several impacts, which prevent certification pursuant to CEQA. In addition to those issues, recent information regarding PCEC's activities on site and its air emissions, and ensuing cumulative impacts are also given short shrift in the FEIR and further add to deficiencies in the FEIR.

For example, the FEIR fails to clearly and accurately disclose the Project's environmental setting and Project's air emissions. An EIR's description of the environmental setting should be comprehensive enough to allow the project's significant impacts "to be considered in the full environmental context." CEQA Guidelines §15125(a). The FEIR fails to disclose or describe the existence of PCEC's 2005 pilot steam injection project that was approved under an LUP and included a steam generator that used freshwater in both the drilling and injection and extraction process for three diatomite wells. (Attachment D). The freshwater for this steam generator was purchased from the City of Santa Maria, but no amount is disclosed in the 2005 LUP or the FEIR. Disclosure of this information is relevant to understanding the impacts of the Project by clearly identifying PCEC's existing use of freshwater and emissions on site. Notably, PCEC's 2006 MND that proposed 96 steam injection wells discussed this prior steam injection project in its Environmental Setting section. [22] The 2006 MND also stated that the existing steam generator

[22] BreitBurn Energy Orcutt Hills Diatomite Project, Revised Final MND, November 8. 2006, p. 9.

from the 2005 project would be retained and operated on site (near Pod 5) in addition to the three proposed steam generators for the 2006 project.[23]

The 2006 MND also disclosed the emissions from this existing steam generator as 13.8 pounds of NOx per day, and 2.97 pounds of ROC per day.[24] In the cumulative impacts section, the MND added those emissions to the 2006 Project's estimated NOx emissions of 50.35 pounds per day, and ROC emissions of 43.63 pounds per day.[25] When added together, the total daily cumulative emissions from all four steam generators and the Project's operational emissions amounted to 64.15 lbs of NOx, and 46.6 lbs/day of ROC.[26]

In contrast, the FEIR discloses no information about the 2005 steam generator and pilot steam well project, nor does it disclose how much fresh water was used and for how long. Recent communication with the County reveal this pilot steam generator was operating for the three original steam wells at the time of the FEIR's Notice Of Preparation; however none of this information was revealed in the FEIR, nor is it identifiable by the public when reviewing the FEIR.

Moreover, it is impossible to identify if and where the FEIR's baseline emissions for both criteria pollutants and greenhouse gases ("GHG") include emissions from the 2005 steam generator. It is also challenging to understand how the current Project's air emissions for operating the same number of wells as the 2006 project using the same steam generators are so low in comparison in the FEIR. For example, the daily projected NOx emissions in 2006 were 50.35 lbs and the daily projected ROC emissions were 43.63 lbs, whereas the FEIR's daily NOx emissions are 34.6 lbs, and ROC is 22.0 lbs. In reviewing the FEIR's Air Quality Technical report, none of these inconsistencies are explained. In fact, the Project's air emissions are not actually calculated, instead, the Project's air emissions are "assumed" to be the difference between PCEC's current air permit for the three steam generators and operational emissions from 2013 (used as the baseline). (FEIR at 4.1-20) The Project's "assumed" emissions for the steam generators is problematic and the results are nonsensical. It is impossible to understand the total air emissions, and resulting impacts, from the proposed Project taken as a whole.

The FEIR also lacks a meaningful, coherent cumulative impact discussion for air quality. CEQA mandates that EIRs must be written so that the public and decision makers can understand the information regarding proposed project impacts, and so decision makers can make intelligent decisions. CEQA Guidelines §§ 15140, 15151. The EIR for this Project fails to meet this mandate. Nowhere is there a discussion of the Project's estimated emissions added to the site's existing emissions and compared to a threshold. There is only a self-concluding discussion, lacking any sufficient detail, about how the Project would be consistent with the 2010 APCD Clean Air Plan. Under the FEIR's analysis it would be impossible for any new oil project to be inconsistent with the Clean Air Plan or considered cumulatively significant.

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[23] *Id*. at 21-22.
[24] *Id*.
[25] *Id*. at 20.
[26] *Id*. at 20-22.

Finally, as we noted to the Planning Commission, the GHG mitigation measure that allows PCEC to pay an unknown fee toward an unstudied and non-existent County "Hydrogen Infrastructure and Vehicle Program" which "could" be studied by the County or APCD at some unknown future date violates CEQA's prohibition of uncertain, deferred and speculative future mitigation plans. Instead, CEQA requires that mitigation measures must be identified and fully enforceable, and shall not be deferred unless it is *infeasible* to specify the measures in the EIR. Pub. Res. Code § 21081.6(b); CEQA Guidelines § 15126.4(a)(1)(B); *Communities for a Better Environment v. City of Richmond* (2010) 184 Cal.App.4th 70, 90-96; *Federation of Hillside and Canyon Assns v. City of Los Angeles* (2000) 83 Cal.App.4th 1252, 1260-1262 (mitigation measures should be implemented as conditions on development); *San Joaquin Raptor Rescue Center v. County of Merced*, 149 Cal.App.4th 645, 668-672 (2007) (formulation of specific mitigation measures shall not be deferred if it is feasible to identify them in the EIR).

As the court held in *CBE v. City of Richmond*,

> This mitigation plan for greenhouse gases is similarly deficient. Here, the final EIR merely proposes a generalized goal of no net increase in greenhouse gas emissions and then sets out a handful of cursorily described mitigation measures for future consideration that might serve to mitigate the 898,000 tons of emissions resulting from the Project. No effort is made to calculate what, if any, reductions in the Project's anticipated greenhouse gas emissions would result from each of these vaguely described future mitigation measures. Indeed, the perfunctory listing of possible mitigation measures set out in Mitigation Measure 4.3–5(e) are nonexclusive, undefined, untested and of unknown efficacy. The only criteria for "success" of the ultimate mitigation plan adopted is the subjective judgment of the City Council, which presumably will make its decision outside of any public process a year after the Project has been approved. Fundamentally, the development of mitigation measures, as envisioned by CEQA, is not meant to be a bilateral negotiation between a project proponent and the lead agency after project approval; but rather, an open process that also involves other interested agencies and the public.

CBE v. City of Richmond, 184 Cal.App.4th at 93. Similarly, in this case the FEIR generally identifies potential mitigation measures but then improperly defers formulation of specific mitigation measures, and removes the topic from the public purview. (FEIR at 4.2-29-30) The FEIR lacks any analysis regarding the effectiveness of the proposed measures, and fails to provide any measures that can be implemented as enforceable project conditions. The FEIR thus violates the mitigation requirements of CEQA.

Conclusion

We urge the BOS to deny PCEC's appeal and support the Commission, the Staff and our community and protect our air, water and wildlife from further, certain damage from PCEC's reckless and damaging seeps and oil spills. We urge the BOS to deny PCEC's request to add any more wells to this site, and instead request that the County correct its lapse in enforcement and hold PCEC accountable for not mitigating for its unlawful destruction of LYS and CTS habitat.

We recommend that the BOS move forward with the Seep Can Only proposal and require PCEC to immediately mitigate impacts from the existing oil wells and resulting seeps and spills. We also urge the BOS to require public notice of all future spills, seeps and surface expressions.

Thank you for your consideration of these comments and concerns.

Sincerely,

Alicia Roessler
Staff Attorney

Brian Trautwein
Environmental Analyst

cc: Sierra Club
SBCAN

Attachments:
A: SB County Oil Spill Report for 2010-2015
B: PCEC 2011 LUP for 19 Steam well re-drills
C: Email from Peter Cantle to Brian Trautwein
D: PCEC 2005 LUP for Pilot Steam Project

Attachment A

4

COUNTY OF SANTA BARBARA
PLANNING AND DEVELOPMENT

MEMORANDUM

TO:	Santa Barbara County Planning Commission
FROM:	Errin Briggs, Energy Specialist, Energy & Minerals Division, 568-2047 Kevin Drude, Deputy Director, Energy & Minerals Division, 568-2519
DATE:	September 2, 2015
RE:	Briefing on Oil and Gas Development in Santa Barbara County

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Recommended Actions:

That the Planning Commission:

1. Receive and file this report on the status of the Oil & Gas Development in Santa Barbara County.
2. Determine that this report does not constitute a project under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15378(b)(5) (Attachment 2).

On July 21st, Energy & Minerals Division staff provided the Board of Supervisors with a briefing on the status of existing and proposed onshore and offshore oil & gas development in Santa Barbara County. The report also summarized the results of oil and gas facility inspections and provided an update of onshore spill incidents over the last five-year period, and provided information regarding pipeline safety regulations. However, the report did not discuss the ongoing response and investigation into the May 19, 2015 Refugio oil spill incident as that topic was agendized as a separate departmental item. Staff will provide your Commission with an update on the spill incident and response during the September 2nd presentation.

Attachments:

Attachment 1: July 21, 2015 Board Letter
Attachment 2: CEQA Exemption

Agenda Number:

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

Department Name:	Planning & Development
Department No.:	053
For Agenda Of:	July 21, 2015
Placement:	Departmental
Estimated Time:	90 minutes
Continued Item:	No
If Yes, date from:	
Vote Required:	N/A

TO:	Board of Supervisors	
FROM:	Department:	Planning & Development
	Director:	Glenn Russell, Ph.D., Director , 568-2085
	Contact Info:	Kevin Drude, Deputy Director, Energy & Minerals Div., 568-2519
SUBJECT:	**Briefing on Oil and Gas Development in Santa Barbara County**	

County Counsel Concurrence
As to form: Yes

Auditor-Controller Concurrence
As to form: N/A

Other Concurrence:
As to form: N/A

Recommended Actions:

That the Board of Supervisors:

1. Receive and file this report on the status of the Oil & Gas Development in Santa Barbara County.
2. Determine that this report does not constitute a project under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15378(b)(5) (Attachment 7).

Issue Summary

This report is intended to brief your Board on the status of existing and proposed onshore and offshore oil & gas development in Santa Barbara County. The report also summarizes the results of oil and gas facility inspections and provides an update of onshore spill incidents over the last five-year period, and provides information regarding pipeline safety regulations. This report does not discuss the ongoing response and investigation into the May 19, 2015 Refugio oil spill incident. A Refugio Oil Spill Emergency Permit report is included as a separate agenda item for the July 21st Board hearing.

Background

The first successful onshore oil drilling in Santa Barbara County occurred in Summerland in 1886. As oil development expanded during the 1890s, well drilling quickly moved offshore into coastal waters via piers. These wells are the first known to have been drilled offshore from piers for purposes of oil extraction. Further north, onshore oil exploration started in the Santa Maria Valley in 1888, leading to large-scale discoveries in the Santa Maria field from 1900 to 1902. Several other significant discoveries followed soon after, including the Orcutt and Cat Canyon fields in 1904 and 1908 respectively.

Significant offshore oil drilling in Santa Barbara County began in the late 1950s as oil companies began to explore for oil in State tidelands. Platform Hazel, the first drilling platform in the County, was installed in 1958 offshore Carpinteria. Eight other platforms and facilities were installed in State tidelands off Santa Barbara County between 1956 and 1966. Subsequently, four significant tideland areas were discovered and brought into production in the mid-to-late 1960s. These included the Conception field (1962), Summerland field (1964), Carpinteria offshore field (1966), and South Elwood field (1965). As onshore production declined, offshore production increased substantially. By the mid-1980s, twelve platforms (in addition to Platform Holly in State waters) produced oil and gas on Outer Continental Shelf (OCS) leases offshore Santa Barbara County. Offshore production eventually peaked at approximately 8.9 million barrels in 1964 then declined through 2001. Total offshore and onshore oil production in Santa Barbara County reached an all-time high of 68,798,091 barrels in 1995, while natural gas production had reached an all-time high of 99,425,269 thousand cubic feet in 1967.

Offshore Oil & Gas Development

Today, there are eight (8) offshore platforms which send production to Santa Barbara County processing sites, seven of which are located in Federal waters (Platforms Irene, Hidalgo, Harvest, Hermosa, Heritage, Harmony and Hondo) defined as greater than three miles from shore in the Outer Continental Shelf or "OCS" and one located in State waters (Platform Holly is less than three miles from shore). All oil and gas produced on the OCS is transported by pipelines located on the seafloor to one of two onshore processing facilities in the County's jurisdiction: The Freeport McMoran Lompoc Oil & Gas Plant (LOGP) located outside the City of Lompoc and the Exxon Mobil Oil & Gas Processing Facility at Las Flores Canyon on the Gaviota Coast. A separate facility, the Freeport McMoran Gaviota Oil Heating Facility (GOHF), receives processed oil from offshore and stores and heats the oil for transportation in the Plains All American Pipeline Line 903. The Venoco Ellwood Onshore Facility (EOF) is located just east of the Bacara Resort and is under the regulatory authority of the City of Goleta. The EOF processes production from Platform Holly, the only platform in the Santa Barbara channel in State waters. All of these offshore and onshore facilities are shown on the Energy & Minerals Division Map included herein as Attachment 1.

In addition to the offshore platforms located in Santa Barbara County, there are seven platforms located just south of the Santa Barbara/Ventura County line (Platforms Habitat, Henry, Houchin, Hogan, Habitat and Hillhouse A, B & C) and an additional four platforms off the coast of Oxnard (Grace, Gilda, Gail and Gina). These platforms are all located off the Ventura Coast and send their production to onshore processing facilities located in Ventura County where the resultant dry crude oil is then sent to refinery destinations in Southern California. These platforms are also shown on the Energy & Minerals Division Map included as Attachment 1.

Total daily oil production volume for the Santa Barbara County offshore platforms ranges over the last five years from approximately 38,500 to 47,900 barrels per day (not including those platforms off Ventura County). Each project's individual contribution to these daily production volumes is included in Attachment 3. Processed crude oil from the above-described facilities is transported by pipeline to refinery destinations including the Santa Maria Refinery in the City of Nipomo or to locations in Kern County and Los Angeles. The pipeline transportation network serving these facilities is described in more detail below.

With respect to regulatory oversight, the seven offshore platforms located in Federal waters are required to undergo facility safety inspections which are conducted by the Federal Bureau of Safety and Environmental Enforcement (BSEE). The OCS Lands Act authorizes and requires the Bureau to provide for both annual scheduled inspections and a periodic unscheduled (unannounced) inspection of all oil and gas operations on the OCS. The annual inspections are intended to address operational safety, testing of all safety equipment, including that designed to prevent oil well blowouts, fires, spills, and other major accidents. Inspections also include testing operators on their implementation of emergency response and oil spill contingency plans.

Within State jurisdictional waters, the State Lands Commission, through their Mineral Resources Management Division (MRMD), is responsible for safety-related inspections of platform Holly. Similar to Federal oversight, the State promulgates production regulations, reviews and grants permits for offshore development projects, conducts pipeline inspections, performs safety and spill prevention audits, and requires producers to develop oil spill contingency plans.

The County Energy & Minerals Division plays an important role in overseeing the operational safety aspects and inspections for the onshore facilities that serve the platforms. The County does not have jurisdiction over the platforms themselves, but does participate cooperatively with the operators in the inspection of the pipelines that transport oil and gas production to shore. Each of the offshore operators have conditions of approval included in their development permits that require review of these pipelines' safety and operational aspects by the County's Systems Safety Review & Reliability Committee (SSRRC). The SSRRC was created by the Board of Supervisors in 1985 to review the many technical and safety-related plans that were required to be developed for the growing Santa Barbara County offshore oil industry. The SSRRC meets monthly and is responsible for reviewing all safety-related aspects of the onshore facilities and related pipelines that process and transport offshore crude oil and gas production including facility safety audits, pipeline integrity reports and all emergency response planning procedures. Through the course of their review, the SSRRC makes appropriate recommendations to ensure onshore facilities and their respective pipelines, with the exception of the Plains 901 and 903 lines, meet all applicable safety standards. Annual facility safety audits have been conducted for each of the facilities and the results verified by the SSRRC. Over the five-year period from 2010 to present, no Notices of Violation have been issued for the onshore facilities that serve offshore platforms.

Proposed Offshore Oil and Gas Development

There are currently two offshore oil & gas development projects pending off the Santa Barbara County coast, both of which are proposed by Venoco. The first project is known as the Lease 421 Recommissioning project whereby Venoco proposes to bring a currently idle well located on a pier in the Ellwood area back to production. The second project is known as the Venoco South Ellwood Field project and includes a proposal to adjust the existing lease boundaries surrounding Platform Holly along with the drilling of up to six (6) new wells from the platform to allow Venoco to produce oil & gas from a previously unproduced area located east of the platform. Both projects are currently in the environmental review stages of the planning process, with State Lands Commission acting as the California Environmental Quality Act (CEQA) lead agency and decision-maker. Because these projects both affect onshore facilities in the City of Goleta's jurisdiction, the City will play an active role in the permitting process for each. While the County may provide public comments on these two projects, it will not play an active role in the permitting process.

Federal 5-Year Offshore Leasing Program Update 2017-2022

In January 2015, the United States Secretary of the Interior announced the Draft Proposed Program[1] (DPP) for the Federal 5-year (2017-2022) offshore oil and gas leasing program. The DPP includes eight planning areas – three in the Gulf of Mexico, two in the Atlantic, and three in Alaska but does not include any newly proposed offshore leasing in California, Oregon, and Washington for this time period. With respect to Federal oil & gas leases off the Santa Barbara County coast, this means that existing leases may continue to be produced but that no new leases will be offered by the United States government from 2017-2022. The Bureau of Ocean Energy Management (BOEM) received over half a million comments from governments, agencies, public interest groups, and the public during the public comment period for the leasing program update. The County submitted its own comment letter asking that California be excluded from the 2017-2022 leasing program. Currently, there are three active lease blocks off of Santa Barbara County; Point Pedernales and Point Arguello (Freeport McMoRan), and Santa Ynez (Exxon Mobil).

Onshore Oil & Gas Development

Within the County today, there are over 125 onshore oil & gas support facilities and over 2,450 active wells operated by 23 individual producers. These oil & gas wells and related facilities are generally located throughout the North County but are particularly concentrated in the Santa Maria Valley, Orcutt Hill, Cat Canyon, Los Alamos and Cuyama areas. A map showing the locations of onshore oil wells and oilfield boundaries is included as Attachment 2. Each onshore producer operates independently by extracting, processing and shipping crude oil from their respective fields. While a small portion of the County's onshore production is shipped to the Santa Maria Refinery via pipeline, the majority of onshore production is transported by truck from each oilfield to the Santa Maria Pump Station located east of the City of Santa Maria. Once crude oil is offloaded from tanker trucks at this facility, it then enters a pipeline system which transports it directly to the Santa Maria Refinery.

The County, through the Petroleum Unit in the Energy & Minerals Division, and in coordination with the California Division of Oil, Gas and Geothermal Resources (DOGGR), regulates onshore oil & gas development. The County has inspection and permitting authority for all above-ground oil & gas development including wells and related facilities, and shares this authority with DOGGR which also has exclusive authority for below-ground activities such as well drilling, well casing and wastewater disposal. Each individual well and related facility undergoes an initial review/inspection during construction and then is inspected at least once a year thereafter by County Petroleum staff. If deficiencies that cannot be immediately addressed are noted during annual inspections, producers are given a Notice of Violation (NOV). A summary of inspections and NOV data for onshore producers is included as Attachment 5 and discussed in more detail below.

Proposed Onshore Oil and Gas Development

In addition to several smaller oil & gas development projects which are currently in the planning stages, Energy & Minerals Division staff is currently processing three large production plans which include a total of approximately 470 new production wells. The Pacific Coast Energy Company (PCEC) Orcutt Hill Resource Enhancement Plan project proposes 96 new steam injection wells, the AERA East Cat Canyon Oil Field Redevelopment Project proposes 141 new steam flooded wells and the ERG Operating Company West Cat Canyon Revitalization Plan proposes 233 new steam injection wells. The PCEC and ERG projects are currently in the environmental review phase of the planning process and the AERA

[1] http://www.boem.gov/2017-2022-DPP

project is currently incomplete. The ERG project is currently on hold as a result of the company undergoing Chapter 11 bankruptcy reorganization.

Onshore Violations and Spill Incidents in Santa Barbara County 2010-2015

In 2008, the Board of Supervisors directed staff to amend the Chapter 25 Petroleum Ordinance to include provisions to address operators who were repeatedly responsible for spill incidents. In 2011, the Board adopted the amendments to Chapter 25 to include 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. Attachment 6 includes excerpts from the Petroleum Code which define High Risk Operations and High Risk Operators and the code provisions for the remediation of High Risk Operations.

Attachment 5 includes a summary of oil facility and well inspections by producer, as well as the respective number of Notices of Violation and fines issued. Over the five-year time period from 2010-2014, an average of 44 Notices of Violation per year were issued. The number of violations was highest in 2010 at 88 and has decreased in each subsequent year to a low of 11 violations in 2014. Over this time period, only three fines were levied against producers including two against Greka Oil & Gas, Inc. in 2010 and one fine against Kore Energy, LLC in 2013. There were no facilities that fell into the definition of "High-Risk Operation" category between the 2010 and 2015 inspection years.

Attachment 4 provides a table listing each oil producer and their respective number of spill incidents with volumes of crude oil and produced water spilled by year from 2010-2015. In summary, the Petroleum Unit was notified of, and responded to an average of 19 releases each year, resulting in approximately 164 barrels of crude oil and 160 barrels of produced water on average per year. 2011 had the largest spill volumes with approximately 462 barrels of crude oil and 434 barrels of produced water spilled. The source of these releases varied, originating from pipelines, tanks and/or wells. The most recent spill incident occurred on June 3, 2015 where a pinhole leak in the Phillips 66 Line 300 caused the release of approximately 40 barrels of oil in the City of Santa Maria's jurisdiction.

Onshore Oil Seeps

Of interest and of concern to your Board are the onshore oil seeps that have occurred over the years in the Orcutt Hill oil & gas field, totally unrelated to the seeps that occur offshore. The Pacific Coast Energy Company (PCEC) is authorized to operate 96 oil wells using cyclic steam injection to extract oil from the Diatomite Formation on Orcutt Hill. The shallow geologic unit known as the Careaga Sandstone, which overlies the Diatomite Formation at the project site can contain a considerable amount of heavy oil which can migrate to the ground surface and create seeps. Per Santa Barbara County and DOGGR requirements, PCEC is required to immediately respond to any such seeps by installing a seep can collection system which prevents oil seepage from flowing to the ground surface. A total of 97 seep cans have been permitted under Emergency Permits and installed onsite between 2008 and present, of which approximately 51 are currently collecting oil. The latest seep occurred on May 29, 2015 and was reported to your Board on July 7^{th}. Installation and operation of the seep cans and their associated environmental impacts are currently being analyzed in an Environmental Impact Report being prepared for PCEC's Orcutt Hill expansion project.

Onshore Pipeline Regulation and Safety

Onshore oil & gas pipeline types generally fall into two categories; gathering lines and transmission lines.

Gathering pipelines are typically comprised of small-diameter pipelines that run relatively short distances within an oil field. Gathering lines commonly form a network within a field and may transport crude oil from a well head to a processing facility or from processing facilities to storage tanks. They may transport produced gas to infield facilities for dehydration or use in generators and may also transport produced water to injection wells for reinjection. Gathering lines typically operate at low pressure and do not have automated control systems associated with them. Rather, they are controlled directly through manual control valves. Within the County of Santa Barbara, gathering lines are required to be pressure tested prior to being put into service, the results of which are monitored by the Petroleum Unit. These lines are then subject to recurring inspection intervals dependent upon their nature and location, as dictated by State pipeline codes.

Transmission pipelines typically collect dry crude oil after processing by the producer and deliver product for sale to one or more end users. Transmission pipeline systems generally include much larger diameter pipelines than gathering systems, are designed to transport product for long distances and require pressure-boosting and/or heating equipment along the route. Transmission lines are commonly equipped with control systems which allow the operator to monitor and control the flow of product through the line.

All pipelines are operated with some type of monitoring and/or control system. Pipeline control systems may include simple devices such as automatic pressure-control valves or a more sophisticated, automated Supervisory-Control-And-Data Acquisition (SCADA) system. The SCADA system can remotely monitor and control, on a real-time basis, an entire pipeline system. The SCADA system can open and close valves, start and stop pumps/compressors, monitor and control flow, sample the product, monitor and regulate flows, pressures and temperatures, and perform many other functions. Compressor stations, pump stations, and related facilities may require emergency isolation equipment to protect the pipeline. If SCADA sensors detect abnormal operating conditions, such as a drop in pressure or loss of flow, the system either alerts the operator, or shuts the pipeline/pumps down automatically if so equipped. Emergency-shutdown (ESD) systems consist of automatic shutoff isolation valves and coordinated pressure-relief systems between the isolation valves. The ESD system protects both the pipeline and facility by stopping the flow of product into and out of the facility and limits the feed source in the event of fire, explosion, or other emergency. SCADA and automatic shut-down systems are typically neither needed nor practical for the small, gathering pipeline systems discussed above.

In addition to the pipelines discussed above which transport offshore production to the onshore processing facilities, there are three high-volume transmission pipeline systems currently operating within the County: 1) The Plains All-American Pipeline (PAAPL) which includes a coastal segment that runs from Las Flores Canyon to the Gaviota Pump Station (Line 901) and an inland segment that runs from the Gaviota Pump Station up to Sisquoc and eventually out to Cuyama (Line 903); 2) The Phillips 66 Line 300 system which runs from the Lompoc Oil & Gas Plant to the Santa Maria Refinery in Nipomo; and 3) The Ellwood Pipeline Company Line 96 which carries platform Holly crude oil, processed at the Ellwood Onshore Facility, westward along the Gaviota coast where it eventually connects into the PAAPL Line 901 system at Las Flores Canyon. From there, Exxon Mobil and Venoco oil are transported further west to the Gaviota Oil Heating Facility where the oil enters the Line 903 system and heads north toward Sisquoc. The Phillips 66 Line 300 system also includes a Sisquoc segment that connects to the PAAPL, as well as pump stations located in Santa Maria and Orcutt. A fourth system, the ERG Foxen Canyon pipeline, was permitted by not yet constructed. If built, it would provide transportation of oil produced in the Cat Canyon area to the Phillips 66 Line 300 system. The location of these pipeline systems is shown on Attachment 1. These transmission pipelines were constructed to transport large volumes of oil from the County's offshore platforms to the Santa Maria Refinery in Nipomo. The construction and operational aspects of these pipelines are regulated by the Federal Department of Transportation through the Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA is responsible for reviewing periodic safety inspection reports and overseeing any construction and physical repair work done on these pipelines. In the case of the Phillips 66 Line 300 system, the Energy & Minerals Division, in conjunction with the SSRRC, provides an additional layer of review for safety and maintenance-related oversight. The development permit and the associated CEQA review and mitigation process for Line 300 affords the Division the ability to carry out condition compliance functions and requires review of the project's safety and operational aspects by the SSRRC.

Applicable Federal pipeline regulations (49 CFR Part 195.0 *et seq.*) do not require automatic shutdown capability for onshore petroleum pipeline systems including larger transmission pipelines. However, pipelines carrying crude oil to shore from the Federal platforms are mandated to include automatic shutdown in the event of high and low pressure operational deficiencies. The Phillips 66 Line 300 system is equipped with both a monitoring system and an automatic shutdown (SCADA) feature, which was incorporated into the project design through the County's CEQA process. While the PAAPL does have a monitoring system, it is not equipped with an automatic shutdown feature. In addition to various risk mitigation plans such as oil spill prevention and response, fire prevention and response, and emergency response, all transmission pipelines are required to prepare and follow an operational procedures manual which outlines steps to be taken in a variety of scenarios, including procedures for unintended closure of valves, increase or decrease in pressure or flow rate outside normal operating limits, and other abnormal conditions (49 CFR Part 195.402).

With respect to Santa Barbara County pipelines, and recognizing the County's goals to promote maximum feasible safety mitigation and policy protection of natural resources and public health, two recently approved projects included automatic shutdown features. At the time of application submittal, Venoco voluntarily proposed an automatic shutdown feature as part of their project description for the Ellwood Pipeline Company Line 96 pipeline. The recently approved ERG Foxen Canyon pipeline, located in the East Cat Canyon area and designed to carry up to 25,000 barrels of crude per day, also included an automatic shutdown feature in its project description.

Fiscal and Facilities Impacts and Fiscal Analysis:

Budgeted: Yes. The cost of developing this report is budgeted on page D-212 of the FY 2014-2016 Department's Adopted Budget, in the Permitting category for staffing and budgeted under Intergovernmental Review.

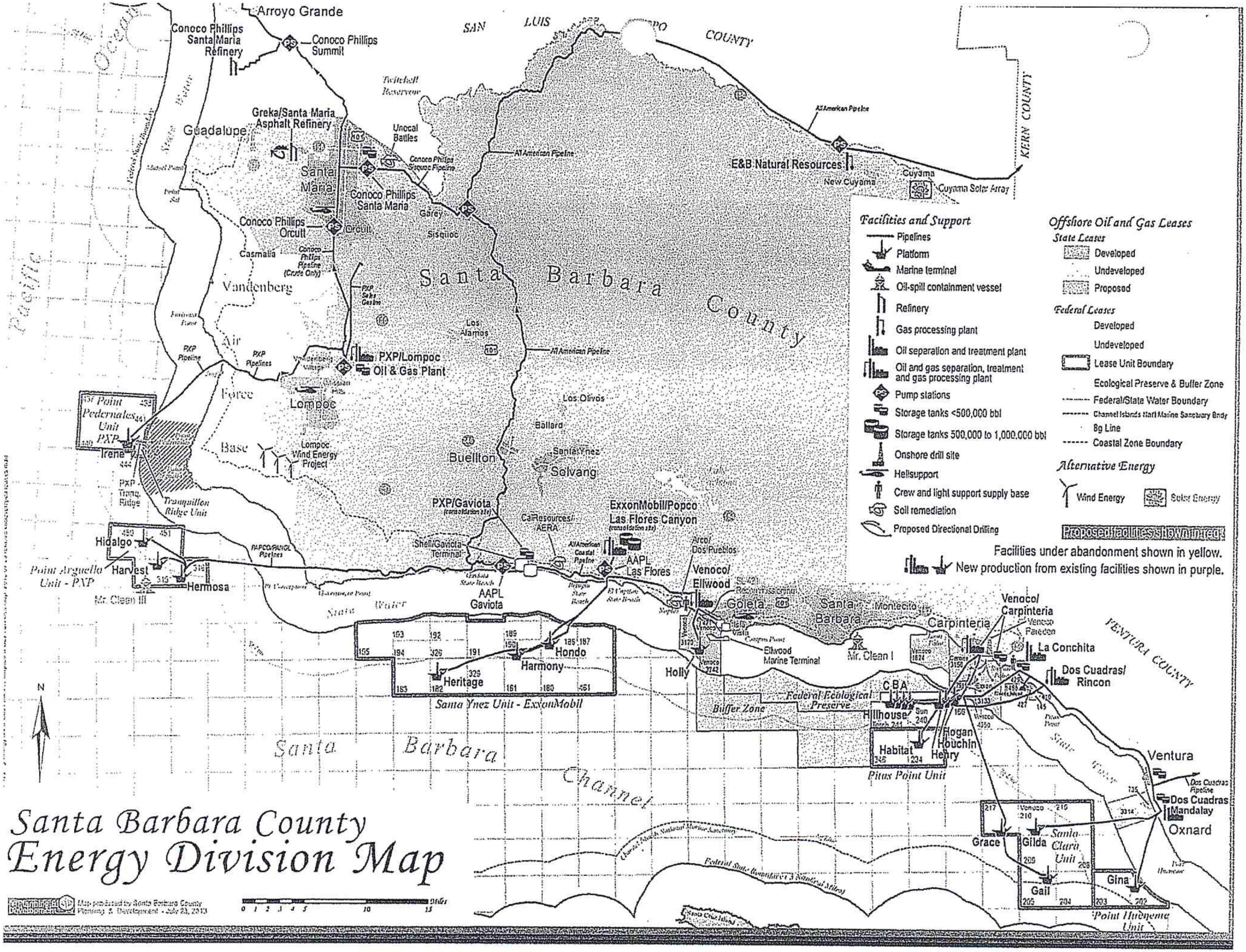
Special Instructions:

None.

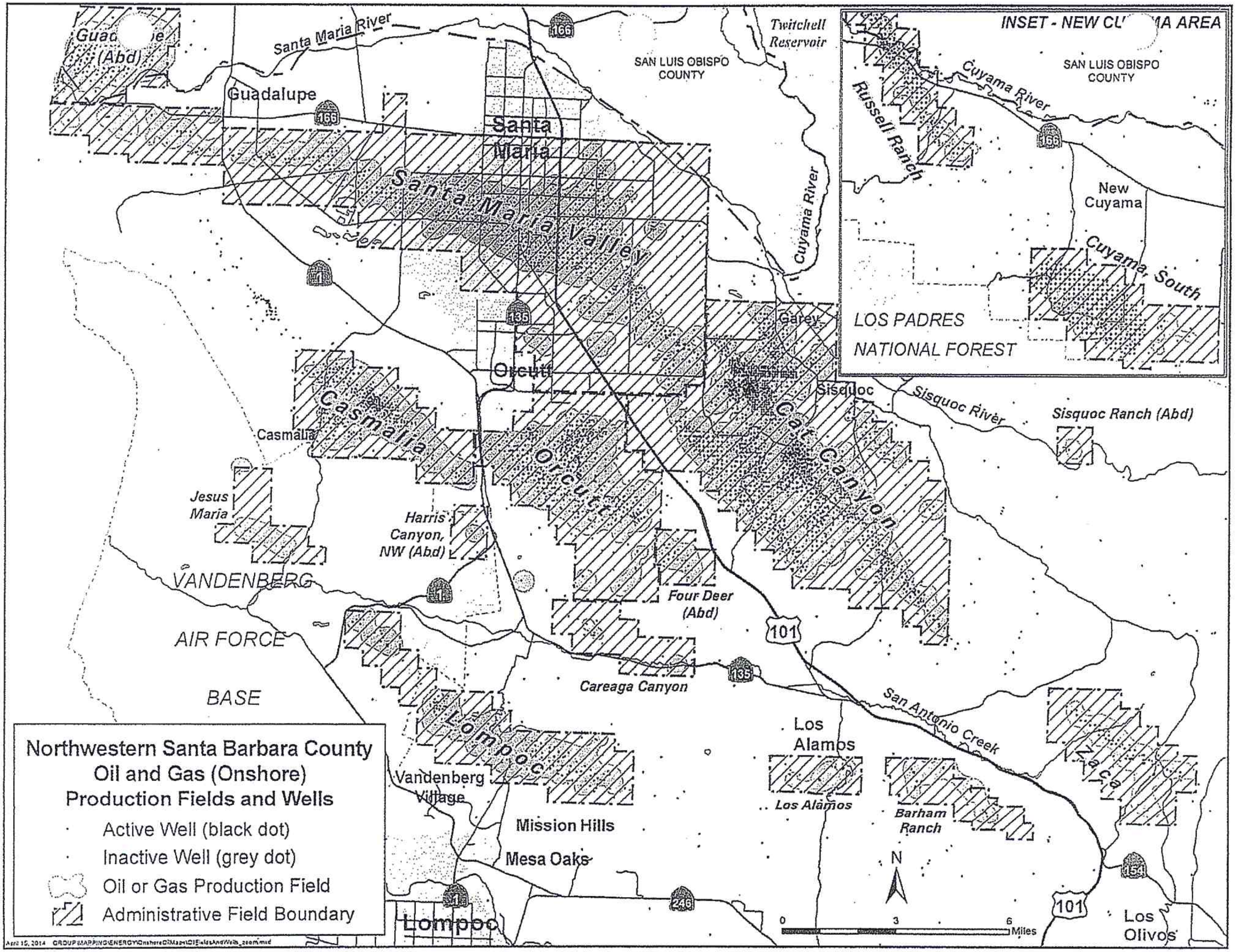
Attachments:

Attachment 1: Map of Existing Offshore Oil & Gas Development
Attachment 2: Map of Existing Onshore Oil & Gas Well Development & Field Boundaries
Attachment 3: Santa Barbara County Oil Production
Attachment 4: Summary of Onshore Crude Oil & Produced Water Spilled by Producer from 2010-2015
Attachment 5: Summary of Onshore Inspection and Notice of Violation Data
Attachment 6: Petroleum Code Excerpts
Attachment 7: CEQA Exemption

Authored by: Errin Briggs, Energy Specialist, Energy and Minerals Division



Santa Barbara County Energy Division Map


INSET - NEW CU MA AREA
SAN LUIS OBISPO COUNTY
Cuyama River
Russell Ranch
New Cuyama
Cuyama, South
LOS PADRES
NATIONAL FOREST
Santa Maria River
Twitchell Reservoir
SAN LUIS OBISPO COUNTY
Cuyama River
Guadalupe
(Abd)
Santa Maria
Santa Maria Valley
Garey
Sisquoc
Sisquoc River
Sisquoc Ranch (Abd)
Orcutt
Casmalia
Cat Canyon
Jesus Maria
Harris Canyon, NW (Abd)
Four Deer (Abd)
VANDENBERG
AIR FORCE
BASE
Careaga Canyon
San Antonio Creek
Los Alamos
Los Alamos
Barham Ranch
Zaca
Lompoc
Vandenberg Village
Mission Hills
Mesa Oaks
Lompoc
Los Olivos
101
166
135
246
154
1
0
3
6
Miles
N
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

Attachment 3

Santa Barbara County Oil Production

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

Total Annual Oil Production (thousands of barrels)					
	2010	2011	2012	2013	2014
Onshore	2,548	2,825	3,434	4,333	4,407
Offshore -- State Waters	871	798	1,172	1,732	1,378
Offshore -- Federal Waters	18,424	16,473	14,558	15,579	15,364
Totals	**21,843**	**20,095**	**19,164**	**21,644**	**21,149**

Attachment 4

Summary of Onshore Crude Oil & Produced Water Spilled by Producer

2010

Operating Company	No. of Petroleum Releases	Volume of Crude Oil Released (Volume Unit in Barrels)	Volume of Produced Water Released (Volume Unit in Barrels)	Total Volume of Petroleum Fluids Released (Volume Unit in Barrels)
FreePort McMoRan Oil & Gas, LLC	1		3	3
Greka Oil & Gas, Inc.	9	16.83	76	92.83
Pacific Coast Energy Company	4	55.06	34.94	90
Sierra Resources, LLC	1	5		5
Yearly Totals	**15**	**76.89**	**113.94**	**190.83**

2011

Operating Company	No. of Petroleum Releases	Volume of Crude Oil Released (Volume Unit in Barrels)	Volume of Produced Water Released (Volume Unit in Barrels)	Total Volume of Petroleum Fluids Released (Volume Unit in Barrels)
Conway	1		10	10
E&B Natural Resources	1	2	6	8
ERG Operating Company, LLC	9	408	360	768
FreePort McMoRan Oil & Gas, LLC	3	0.44	10.42	10.86
Greka Oil & Gas, Inc.	4	20	14	34
Pacific Coast Energy Company	8	23.5	34	57.5
Phoenix Energy, LLC	1	3		3
Venoco, Inc.	1	5		5
Yearly Totals	**28**	**461.94**	**434.42**	**896.36**

2012

Operating Company	No. of Petroleum Releases	Volume of Crude Oil Released (Volume Unit in Barrels)	Volume of Produced Water Released (Volume Unit in Barrels)	Total Volume of Petroleum Fluids Released (Volume Unit in Barrels)
E&B Natural Resources	2	2	103	105
ERG Operating Company, LLC	8	39.01	17	56.01
FreePort McMoRan Oil & Gas, LLC	1	0.04	3.38	3.42
Greka Oil & Gas, Inc.	9	74	2	76
Pacific Coast Energy Company	4	4.12	21.88	26
Venoco, Inc.	2	8	12	20
Yearly Totals	**26**	**127.17**	**159.26**	**286.43**

2013				
Operating Company	No. of Petroleum Releases	Volume of Crude Oil Released (Volume Unit in Barrels)	Volume of Produced Water Released (Volume Unit in Barrels)	Total Volume of Petroleum Fluids Released (Volume Unit in Barrels)
Amrich Energy	1	15	5	20
E&B Natural Resources	1	1	3	4
ERG Operating Company, LLC	4	60	19	79
FreePort McMoRan Oil & Gas, LLC	1	0.29	2.4	2.69
Greka Oil & Gas, Inc.	4	18	10	28
Pacific Coast Energy Company	4	8.9	41.6	50.5
Yearly Totals	15	103.19	81	184.19

2014				
Operating Company	No. of Petroleum Releases	Volume of Crude Oil Released (Volume Unit in Barrels)	Volume of Produced Water Released (Volume Unit in Barrels)	Total Volume of Petroleum Fluids Released (Volume Unit in Barrels)
E&B Natural Resources	1		2	2
ERG Operating Company, LLC	3	13		13
Golden Gate Oil	1	2		2
Greka Oil & Gas, Inc.	4	38.52	7.52	46.04
Yearly Totals	9	53.52	9.52	63.04

2015				
Operating Company	No. of Petroleum Releases	Volume of Crude Oil Released (Volume Unit in Barrels)	Volume of Produced Water Released (Volume Unit in Barrels)	Total Volume of Petroleum Fluids Released (Volume Unit in Barrels)
Golden Gate Oil	2	3	5	8
Greka Oil & Gas, Inc.	2	4.5	8.5	13
Pacific Coast Energy Company	3	3.28	78.84	82.12
Yearly Totals	7	10.78	92.34	103.12

Attachment 5

Summary of Onshore Inspection and Notice of Violation Data

2010				
Operating Company	Number of Facilities Inspected by Petroleum	Number of Wells Inspected by Petroleum	Number of Notice of Violations Issued by Petroleum	Number of Notice of Determination of Fines Issued by petroleum
B.E. Conway	8	59	1	0
BreitBurn	9	280	2	0
Chevron/Texaco	17	357	5	0
Cimarex	0	1	0	0
E&B Natural Resources	26	352	10	0
Grayson Services, Inc.	1	25	0	0
Greka Oil & Gas, Inc.	43	816	61	2
KORE Energy, LLC	0	1	0	0
Myron Openshaw (Conway)	0	1	0	0
Off Broadway Minerals	1	2	0	0
Phoenix Energy	2	76	3	0
PXP	1	114	0	0
[illegible]ramid Oil	1	4	0	0
[illegible]hards Oil	2	36	1	0
RMR Energy resources	1	4	0	0
Saba	0	63	0	0
Santa Maria Pacific, LLC	2	38	2	0
Sierra Resources	3	100	0	0
So. Cal. Gas	1	21	1	0
Temblor	0	2	0	0
Vaquero Energy	0	4	0	0
Venoco, Inc.	3	38	2	0
Vintage Production	1	114	0	0
Totals	122	2508	88	2

2011				
Operating Company	Number of Facilities Inspected by Petroleum	Number of Wells Inspected by Petroleum	Number of Notice of Violations Issued by Petroleum	Number of Notice of Determination of Fines Issued by petroleum
B.E. Conway	8	59	0	0
BreitBurn	9	315	5	0
Chevron/Texaco	0	2	0	0
E&B Natural Resources	26	352	9	0
ERG	17	336	12	0
~~Grayson Services, Inc.~~	~~1~~	~~25~~	~~0~~	~~0~~
Greka Oil & Gas, Inc.	43	816	23	0
KORE Energy, LLC	0	1	0	0
Myron Openshaw (Conway)	0	1	0	0
Off Broadway Minerals	1	2	0	0
Panther	0	1	0	0
Phoenix Energy	2	76	3	0
PXP	1	110	0	0
PXP (State)	0	3	0	0
Pyramid Oil	1	4	0	0
Richards Oil	2	36	0	0
RMR Energy resources	1	4	0	0
Santa Maria Pacific, LLC	2	41	0	0
Sierra Resources	3	100	1	0
So. Cal. Gas	1	21	0	0
Temblor	0	2	0	0
Vaquero Energy	0	10	1	0
Venoco, Inc.	3	40	2	0
Vintage Production	0	104	0	0
Totals	121	2461	56	0

2012				
Operating Company	Number of Facilities Inspected by Petroleum	Number of Wells Inspected by Petroleum	Number of Notice of Violations Issued by Petroleum	Number of Notice of Determination of Fines Issued by petroleum
AERA	0	4	0	0
B.E. Conway	8	59	1	0
BreitBurn	9	313	2	0
Chevron/Texaco	0	1	0	0
E&B Natural Resources	25	354	2	0
ERG	22	455	12	0
Greka Oil & Gas, Inc.	42	806	20	0
KORE Energy, LLC	0	1	0	0
Myron Openshaw (Conway)	0	1	0	0
Off Broadway Minerals	1	2	1	0
Phoenix Energy	2	76	0	0
PXP	1	104	0	0
PXP (State)	0	3	0	0
Pyramid Oil	1	4	0	0
Santa Maria Pacific, LLC	2	48	1	0
Sierra Resources	3	100	1	0
[illegible] Cal. Gas	1	21	0	0
[illegible]mblor	0	2	0	0
Towne Exploration	1	11	0	0
Underground Energy	1	1	0	0
Vaquero Energy	2	10	2	0
Venoco, Inc.	2	8	0	0
Vintage Production	0	74	3	0
Totals	123	2458	45	0

2013

Operating Company	Number of Facilities Inspected by Petroleum	Number of Wells Inspected by Petroleum	Number of Notice of Violations Issued by Petroleum	Number of Notice of Determination of Fines Issued by petroleum
AERA	0	4	0	0
Amrich Energy	1	7	1	0
B.E. Conway	8	59	0	0
Chevron/Texaco	0	1	0	0
E&B Natural Resources	25	351	1	0
~~ERG~~	~~30~~	~~500~~	~~0~~	~~0~~
Greka Oil & Gas, Inc.	34	733	19	0
KORE Energy, LLC	0	1	0	1
Myron Openshaw (Conway)	0	1	0	0
Off Broadway Minerals	1	2	0	0
PCEC	9	350	0	0
PXP	1	97	0	0
PXP (State)	0	3	0	0
Pyramid Oil	1	4	0	0
RMR	1	1	0	0
Santa Maria Energy, LLC	4	119	0	0
Sierra Resources	3	102	1	0
So. Cal. Gas	1	21	0	0
Temblor	0	2	0	0
Towne Exploration	1	11	0	0
Underground Energy	1	5	0	0
Vaquero Energy	2	20	0	0
Venoco, Inc.	3	8	0	0
Vintage Production	0	54	0	0
Totals	123	2456	22	1

2014

Operating Company	Number of Facilities Inspected by Petroleum	Number of Wells Inspected by Petroleum	Number of Notice of Violations Issued by Petroleum	Number of Notice of Determination of Fines Issued by petroleum
AERA	0	4	0	0
Amrich Energy	2	11	0	0
B.E. Conway	8	60	0	0
Chevron/Texaco	0	1	0	0
E&B Natural Resources	25	351	0	0
ERG	32	500	0	0
Greka Oil & Gas, Inc.	34	733	10	0
KORE Energy, LLC	0	1	0	0
Off Broadway Minerals	1	2	0	0
PCEC	9	349	1	0
PXP	1	98	0	0
PXP (State)	0	3	0	0
Pyramid Oil	1	4	0	0
RMR	0	1	0	0
Santa Maria Energy, LLC	4	119	0	0
Sierra Resources	4	103	0	0
[illegible] Cal. Gas	1	21	0	0
Temblor	0	2	0	0
Towne Exploration	1	11	0	0
Underground Energy	1	5	0	0
Vaquero Energy	2	26	0	0
Venoco, Inc.	3	8	0	0
Vintage Production	0	54	0	0
Warren	0	3	0	0
Totals	129	2470	11	0

2015 (to date)				
Operating Company	**Number of Facilities to be Inspected by Petroleum**	**Number of Wells to be Inspected by Petroleum**	**Number of Notice of Violations Issued by Petroleum***	**Number of Notice of Determination of Fines Issued by petroleum***
AERA	0	4	0	0
Amrich Energy	3	13		
B.E. Conway	8	60		
E&B Natural Resources	21	352		
ERG	28	500		
~~**Freeport McMoRan Oil & Gas**~~	~~1~~	~~92~~		
Freeport McMoRan (State)	0	3		
Golden Gate Oil	3	10	0	0
Greka Oil & Gas, Inc.	34	717	17*	
KORE Energy, LLC	0	1		
Off Broadway Minerals	1	2		
PCEC	9	346		
PRE Resources	3	5		
Pyramid Oil	1	4		
RMR	0	1		
Santa Maria Energy, LLC	4	118		
Sierra Resources	4	104		
So. Cal. Gas	1	23		
Temblor	0	2		
Towne Exploration	1	11		
Vaquero Energy	4	42		
Venoco, Inc.	0	3		
Vintage Production	0	39		
Totals	**126**	**2452**		

*Inspection year currently in progress

Attachment 6
County Petroleum Ordinance Chapter 25 Excerpts

(Section 25-4 - Definitions)

"High risk operation" means an oil or gas production, processing or storage facility which:

(a) Has been in violation of section(s) 25-22, 25-23, 25-25, 25-26, 25-27, 25-28, 25-29, 25-30, 25-32, 25-35, 25-36, 25-37, 25-38, 25-39, or 25-40 of this chapter for more than 30 consecutive days and resulted in the issuance of a notice of determination of fines pursuant to chapter 24A of the Santa Barbara County Code during the preceding twelve months; or
(b) Notwithstanding section (a) above, has had two separate unauthorized releases of oil, produced water and/or other hazardous materials of a quantity not less than fifteen barrels (six hundred thirty gallons) other than within secondary containment for each incident during the preceding twelve months.

"High risk operator" means the owner or operator of two or more petroleum production, processing or storage facilities fitting the definition of high risk operation, as designated by section 25-43(e).

(Section 25-43 a-f - Remediation of high risk operations)

(a) Upon determination that any petroleum production, processing or storage operation meets the definition of high risk operation from section 25-4, the petroleum administrator shall give the owner and operator written notice of his or her intent to declare the operation a high risk operation under this code section. The goal of this section shall be to remediate the high risk operation and bring the facility and the operator within normal, safe operating standards and protect the public safety, health and environment. The written notice of the intent to declare the operation a high risk operation shall include:

    (1) Facts substantiating the declaration; and
    (2) An advisory regarding the right to appeal the declaration pursuant to section 25-43(c).

(b) Along with the determination of the facility being a high risk operation, the petroleum administrator:

    (1) May undertake an investigation of the causes leading up to the high risk designation; and/or
    (2) Shall approve a mandatory remediation plan prepared by the operator. Such plan shall include, but is not limited to:

        a. A mandatory remediation schedule for bringing the facility and operator within normal, safe operating standards. Such schedule does not supersede any timeline for abatement otherwise established for individual outstanding violations.
        b. An audit of overall facility operation(s).

i. The audit shall be conducted by an independent third party approved by the petroleum administrator. Costs associated with the audit shall be borne by the operator;
ii. The audit shall identify and analyze the root causes leading to the high risk designation;
iii. The audit shall further identify and analyze other potential areas in overall facility operation that could impact the facility's ability to operate within safe and normal standards (e.g. personnel training, operational policies, internal procedures, etc.);
iv. Provide a plan for remediating all issues identified in the audit, including a mandatory schedule for remediating those issues. Such schedule shall be approved by the petroleum administrator.
v. The audit may be ordered in lieu of, or in addition to the investigation undertaken by the petroleum administrator.

c. Any other requirements the petroleum administrator deems necessary to bring the facility and operation within normal, safe operating standards for the purposes of protecting the public safety, health and environment.

(c) The owner or operator of any such facility may appeal the applicability of the definition of "high risk operation" to the facility, the factual determination regarding the cause of the problems causing the high risk, or the efficacy and reasonableness of the proposed remediation to the petroleum administrator and shall have the opportunity to present evidence to the petroleum administrator at a noticed hearing. The appeal must be submitted in writing within fifteen days of receipt of the notice of intent to declare the facility a high risk operation issued pursuant to section 25-43(a) above. The owner or operator of any such facility may appeal any decision of the petroleum administrator to the director of planning and development, and the appeal shall be solely on the issue of facts and existing administrative record previously before the petroleum administrator as to the applicability of the definition to the operation, the factual determination regarding the cause of the problems causing the high risk and the efficacy and reasonableness of the proposed remediation. Any decision of the director of planning and development after appeal may be further appealed to the board of appeals pursuant to sections 25-16, 25-17 and 25-18 and that appeal shall be solely on the facts and existing administrative record previously before the petroleum administrator as to the applicability of the definition to the operation, the factual determination regarding the cause of the problems causing the high risk and the efficacy and reasonableness of the proposed remediation.

(d) The owner or operator of the high risk operation shall carry out the approved remediation plan and shall be responsible for paying all reasonable costs associated with the implementation of the plan, including:

(1) County staff time in enforcing these provisions at an hourly rate that provides for full cost recovery of the direct and indirect costs including A-87 cost plan charges. Staff time shall include, but is not limited to, the ongoing monitoring and verification of compliance with the approved remediation plan;

(e) Should any additional facility owned or operated by the owner or operator of the high risk operation facility meet the definition of a high risk operation within the period in which one facility is so declared or if more than one facility initially meets the definition thereof, the petroleum administrator shall have authority to declare the owner or operator to be a high risk operator and order a remediation plan which may include other petroleum facilities located in the county and under the control of the high risk operator. Any petroleum facilities included in such multi-facility remediation plan shall be designated high risk operations. An order requiring a remediation plan for any other petroleum facilities located in the county and under the control of the high risk operator shall be ordered only in cases where it is determined that the operator is operating more than one facility in such a manner that indicates common risk factors, management practices or failures, safety procedures, operational or logistical errors, training deficiencies or other operator caused problems are likely to exist at multiple facilities and such multi-facility remediation plan shall be ordered to include any facilities which the petroleum administrator determines may be impacted by such common problems. Any high risk operator, so designated, or the owner of any facility designated for such county-wide remediation plan may appeal this order in the same manner as outlined in paragraph (c). Any facility in such multi-facility remediation plan shall be removed from the remediation plan when the goals and guidelines of the remediation plan are achieved for that facility.

(f) At the sole discretion of the petroleum administrator, at any time during which a facility or operator is subject to this section, the petroleum administrator may require a bond be posted to cover the cost of remediating the causative problems of the high risk operation.

(g) The designation of high risk operations or high risk operator shall continue to apply until the goals and guidelines of the remediation plan established hereunder is achieved. The high risk operator shall notify the petroleum administrator when a milestone in the remediation plan pursuant to section 25-43(b)(2) has been satisfied. The petroleum administrator may conduct independent verification of the compliance upon such notification. The remediation plan may be amended from time to time as necessary to achieve the purposes of this section. Any change to the remediation plan shall be subject to appeal in the same manner as the original remediation plan pursuant to paragraph (c) above.

(h) Failure of the owner or operator of a high risk operation to post a bond required under this section, prepare the remediation plan within a reasonable timeframe as ordered by the petroleum administrator, or to reasonably achieve the goals and guidelines of an approved remediation plan under this section may be cause for a shutdown of the high risk operation(s) or any other petroleum operations located in the county that are co-owned or co-operated by the high risk operator, at the discretion of the petroleum administrator. A shut down order under this subsection may be appealed by the high risk operator or any owner affected, to the director of planning and development. Any decision of the planning and development director after appeal may be appealed to the board of appeals pursuant to sections 25-16, 25-17 and 25-18. Any shut-down order issued under this section shall be cancelled when the cause of the shut down order has been remediated.

(i) Any county costs associated with enforcement of this section which are not promptly paid by the owner or operator shall be subject to enforcement by tax bill lien, or other civil collection methods.

(j) The county may seek judicial order to enforce provisions of this section and Code to protect the public health, safety and environment, including injunctive relief, abatement of nuisance and receivership.

(k) Nothing in this section shall be deemed to prevent any other enforcement or applicability of any other relevant laws.

ATTACHMENT 7 – CEQA NOTICE OF EXEMPTION

TO: Santa Barbara County Clerk of the Board of Supervisors

FROM: Errin Briggs, Planning & Development

The project or activity identified below is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

APN: N/A

Case Nos.: N/A

Location: County of Santa Barbara

Project Title: Briefing on Oil and Gas Development in Santa Barbara County

Project Applicant: N/A

Project Description:

Staff briefing to the Board of Supervisors regarding oil and gas development in Santa Barbara County

Name of Public Agency Approving Project: County of Santa Barbara

Name of Person or Agency Carrying Out Project: N/A

Exempt Status: (Check one)

_____ Ministerial
__X__ Statutory Exemption
_____ Categorical Exemption
_____ Emergency Project
_____ Declared Emergency

Cite specific CEQA and/or CEQA Guideline Section: 15378(b)(5) – Organizational or administrative activities of governments that will not resulting direct or indirect physical changes in the environment.

Reasons to support exemption findings: Receiving and filing this report is not a project. It is an administrative government activity that will not result in direct or indirect physical changes in the environment.

Lead Agency Contact Person: Errin Briggs Phone #: 568-2047

Department/Division Representative: ____________________ Date: ___________

Acceptance Date: _____________________

Distribution: Hearing Support Staff

Project file (when P&D permit is required)
Date Filed by County Clerk: ____________.

ATTACHMENT 2 – CEQA NOTICE OF EXEMPTION

TO: Santa Barbara County Clerk of the Board of Supervisors

FROM: Errin Briggs, Planning & Development

The project or activity identified below is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

APN: N/A

Case Nos.: N/A

Location: County of Santa Barbara

Project Title: Briefing on Oil and Gas Development in Santa Barbara County

Project Applicant: N/A

Project Description:

Staff briefing to the Planning Commission regarding oil and gas development in Santa Barbara County

Name of Public Agency Approving Project: County of Santa Barbara

Name of Person or Agency Carrying Out Project: N/A

Exempt Status: (Check one)

_____ Ministerial
__X__ Statutory Exemption
_____ Categorical Exemption
_____ Emergency Project
_____ Declared Emergency

Cite specific CEQA and/or CEQA Guideline Section: 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Reasons to support exemption findings: Receiving and filing this report is not a project. It is an administrative government activity that will not result in direct or indirect physical changes in the environment.

Lead Agency Contact Person: Errin Briggs Phone #: 568-2047

Department/Division Representative: ___________________ Date: __________

Acceptance Date: ____________________

Distribution: Hearing Support Staff

Project file (when P&D permit is required)
Date Filed by County Clerk: ____________.

Attachment 4

Summary of Onshore Crude Oil & Produced Water Spilled by Producer

2010				
Operating Company	**No. of Petroleum Releases**	**Volume of Crude Oil Released** (Volume Unit in Barrels)	**Volume of Produced Water Released** (Volume Unit in Barrels)	**Total Volume of Petroleum Fluids Released** (Volume Unit in Barrels)
FreePort McMoRan Oil & Gas, LLC	1		3	3
Greka Oil & Gas, Inc.	9	16.83	76	92.83
Pacific Coast Energy Company	4	55.06	34.94	90
Sierra Resources, LLC	1	5		5
Yearly Totals	**15**	**76.89**	**113.94**	**190.83**

2011				
Operating Company	**No. of Petroleum Releases**	**Volume of Crude Oil Released** (Volume Unit in Barrels)	**Volume of Produced Water Released** (Volume Unit in Barrels)	**Total Volume of Petroleum Fluids Released** (Volume Unit in Barrels)
B.E. Conway	1		10	10
E&B Natural Resources	1	2	6	8
ERG Operating Company, LLC	9	408	360	768
FreePort McMoRan Oil & Gas, LLC	3	0.44	10.42	10.86
Greka Oil & Gas, Inc.	4	20	14	34
Pacific Coast Energy Company	8	23.5	34	57.5
Phoenix Energy, LLC	1	3		3
Venoco, Inc.	1	5		5
Yearly Totals	**28**	**461.94**	**434.42**	**896.36**

2012				
Operating Company	**No. of Petroleum Releases**	**Volume of Crude Oil Released** (Volume Unit in Barrels)	**Volume of Produced Water Released** (Volume Unit in Barrels)	**Total Volume of Petroleum Fluids Released** (Volume Unit in Barrels)
E&B Natural Resources	2	2	103	105
ERG Operating Company, LLC	8	39.01	17	56.01
FreePort McMoRan Oil & Gas, LLC	1	0.04	3.38	3.42
Greka Oil & Gas, Inc.	9	74	2	76
Pacific Coast Energy Company	4	4.12	21.88	26
Venoco, Inc.	2	8	12	20
Yearly Totals	**26**	**127.17**	**159.26**	**286.43**

2013				
Operating Company	**No. of Petroleum Releases**	**Volume of Crude Oil Released** (Volume Unit in Barrels)	**Volume of Produced Water Released** (Volume Unit in Barrels)	**Total Volume of Petroleum Fluids Released** (Volume Unit in Barrels)
Amrich Energy	1	15	5	20
E&B Natural Resources	1	1	3	4
ERG Operating Company, LLC	4	60	19	79
FreePort McMoRan Oil & Gas, LLC	1	0.29	2.4	2.69
Greka Oil & Gas, Inc.	4	18	10	28
Pacific Coast Energy Company	4	8.9	41.6	50.5
Yearly Totals	**15**	**103.19**	**81**	**184.19**

2014				
Operating Company	**No. of Petroleum Releases**	**Volume of Crude Oil Released** (Volume Unit in Barrels)	**Volume of Produced Water Released** (Volume Unit in Barrels)	**Total Volume of Petroleum Fluids Released** (Volume Unit in Barrels)
E&B Natural Resources	1		2	2
ERG Operating Company, LLC	3	13		13
Golden Gate Oil	1	2		2
Greka Oil & Gas, Inc.	4	38.52	7.52	46.04
Yearly Totals	**9**	**53.52**	**9.52**	**63.04**

2015				
Operating Company	**No. of Petroleum Releases**	**Volume of Crude Oil Released** (Volume Unit in Barrels)	**Volume of Produced Water Released** (Volume Unit in Barrels)	**Total Volume of Petroleum Fluids Released** (Volume Unit in Barrels)
ERG Operating Co.	1	2	5	7
Golden Gate Oil	1	3	0	3
Greka Oil & Gas, Inc.	3	4.5	13.50	18
Pacific Coast Energy Company	3	3.28	78.84	82.12
Towne Exploration	1	.25	4.75	5.0
Yearly Totals	**9**	**13.03**	**102.09**	**115.12**

Attachment 5

Summary of Onshore Inspection and Notice of Violation Data

2010				
Operating Company	**Number of Facilities Inspected by Petroleum**	**Number of Wells Inspected by Petroleum**	**Number of Notice of Violations Issued by Petroleum**	**Number of Notice of Determination of Fines Issued by petroleum**
B.E. Conway	8	59	1	0
BreitBurn	9	280	2	0
Chevron/Texaco	17	357	5	0
Cimarex	0	1	0	0
E&B Natural Resources	26	352	10	0
Grayson Services, Inc.	1	25	0	0
Greka Oil & Gas, Inc.	43	816	61	2
KORE Energy, LLC	0	1	0	0
Myron Openshaw (Conway)	0	1	0	0
Off Broadway Minerals	1	2	0	0
Phoenix Energy	2	76	3	0
PXP	1	114	0	0
Pyramid Oil	1	4	0	0
Richards Oil	2	36	1	0
RMR Energy resources	1	4	0	0
Saba	0	63	0	0
Santa Maria Pacific, LLC	2	38	2	0
Sierra Resources	3	100	0	0
So. Cal. Gas	1	21	1	0
Temblor	0	2	0	0
Vaquero Energy	0	4	0	0
Venoco, Inc.	3	38	2	0
Vintage Production	1	114	0	0
Totals	**122**	**2508**	**88**	**2**

2011				
Operating Company	Number of Facilities Inspected by Petroleum	Number of Wells Inspected by Petroleum	Number of Notice of Violations Issued by Petroleum	Number of Notice of Determination of Fines Issued by petroleum
B.E. Conway	8	59	0	0
BreitBurn	9	315	5	0
Chevron/Texaco	0	2	0	0
E&B Natural Resources	26	352	9	0
ERG	17	336	12	0
Grayson Services, Inc.	1	25	0	0
Greka Oil & Gas, Inc.	43	816	23	0
KORE Energy, LLC	0	1	0	0
Myron Openshaw (Conway)	0	1	0	0
Off Broadway Minerals	1	2	0	0
Panther	0	1	0	0
Phoenix Energy	2	76	3	0
PXP	1	110	0	0
PXP (State)	0	3	0	0
Pyramid Oil	1	4	0	0
Richards Oil	2	36	0	0
RMR Energy resources	1	4	0	0
Santa Maria Pacific, LLC	2	41	0	0
Sierra Resources	3	100	1	0
So. Cal. Gas	1	21	0	0
Temblor	0	2	0	0
Vaquero Energy	0	10	1	0
Venoco, Inc.	3	40	2	0
Vintage Production	0	104	0	0
Totals	**121**	**2461**	**56**	**0**

2012

Operating Company	Number of Facilities Inspected by Petroleum	Number of Wells Inspected by Petroleum	Number of Notice of Violations Issued by Petroleum	Number of Notice of Determination of Fines Issued by petroleum
AERA	0	4	0	0
B.E. Conway	8	59	1	0
BreitBurn	9	313	2	0
Chevron/Texaco	0	1	0	0
E&B Natural Resources	25	354	2	0
ERG	22	455	12	0
Greka Oil & Gas, Inc.	42	806	20	0
KORE Energy, LLC	0	1	0	0
Myron Openshaw (Conway)	0	1	0	0
Off Broadway Minerals	1	2	1	0
Phoenix Energy	2	76	0	0
PXP	1	104	0	0
PXP (State)	0	3	0	0
Pyramid Oil	1	4	0	0
Santa Maria Pacific, LLC	2	48	1	0
Sierra Resources	3	100	1	0
So. Cal. Gas	1	21	0	0
Temblor	0	2	0	0
Towne Exploration	1	11	0	0
Underground Energy	1	1	0	0
Vaquero Energy	2	10	2	0
Venoco, Inc.	2	8	0	0
Vintage Production	0	74	3	0
Totals	**123**	**2458**	**45**	**0**

2013				
Operating Company	**Number of Facilities Inspected by Petroleum**	**Number of Wells Inspected by Petroleum**	**Number of Notice of Violations Issued by Petroleum**	**Number of Notice of Determination of Fines Issued by petroleum**
AERA	0	4	0	0
Amrich Energy	1	7	1	0
B.E. Conway	8	59	0	0
Chevron/Texaco	0	1	0	0
E&B Natural Resources	25	351	1	0
ERG	30	500	0	0
Greka Oil & Gas, Inc.	34	733	19	0
KORE Energy, LLC	0	1	0	1
Myron Openshaw (Conway)	0	1	0	0
Off Broadway Minerals	1	2	0	0
PCEC	9	350	0	0
PXP	1	97	0	0
PXP (State)	0	3	0	0
Pyramid Oil	1	4	0	0
RMR	1	1	0	0
Santa Maria Energy, LLC	4	119	0	0
Sierra Resources	3	102	1	0
So. Cal. Gas	1	21	0	0
Temblor	0	2	0	0
Towne Exploration	1	11	0	0
Underground Energy	1	5	0	0
Vaquero Energy	2	20	0	0
Venoco, Inc.	3	8	0	0
Vintage Production	0	54	0	0
Totals	**123**	**2456**	**22**	**1**

2014				
Operating Company	**Number of Facilities Inspected by Petroleum**	**Number of Wells Inspected by Petroleum**	**Number of Notice of Violations Issued by Petroleum**	**Number of Notice of Determination of Fines Issued by petroleum**
AERA	0	4	0	0
Amrich Energy	2	11	0	0
B.E. Conway	8	60	0	0
Chevron/Texaco	0	1	0	0
E&B Natural Resources	25	351	0	0
ERG	32	500	0	0
Greka Oil & Gas, Inc.	34	733	10	0
KORE Energy, LLC	0	1	0	0
Off Broadway Minerals	1	2	0	0
PCEC	9	349	1	0
PXP	1	98	0	0
PXP (State)	0	3	0	0
Pyramid Oil	1	4	0	0
RMR	0	1	0	0
Santa Maria Energy, LLC	4	119	0	0
Sierra Resources	4	103	0	0
So. Cal. Gas	1	21	0	0
Temblor	0	2	0	0
Towne Exploration	1	11	0	0
Underground Energy	1	5	0	0
Vaquero Energy	2	26	0	0
Venoco, Inc.	3	8	0	0
Vintage Production	0	54	0	0
Warren	0	3	0	0
Totals	**129**	**2470**	**11**	**0**

2015				
Operating Company	**Number of Facilities to be Inspected by Petroleum**	**Number of Wells to be Inspected by Petroleum**	**Number of Notice of Violations Issued by Petroleum**	**Number of Notice of Determination of Fines Issued by petroleum**
AERA	0	4	0	0
Amrich Energy	3	13	0	0
B.E. Conway	8	60	0	0
E&B Natural Resources	21	352	0	0
ERG	28	500	0	0
Freeport McMoRan Oil & Gas	1	92	0	0
Freeport McMoRan (State)	0	3	0	0
Golden Gate Oil	3	10	0	0
Greka Oil & Gas, Inc.	34	717	27	0
KORE Energy, LLC	0	1	0	0
Off Broadway Minerals	1	2	0	0
PCEC	9	346	0	0
PRE Resources	3	5	0	0
Pyramid Oil	1	4	0	0
RMR	0	1	0	0
Santa Maria Energy, LLC	4	118	0	0
Sierra Resources	4	104	0	0
So. Cal. Gas	1	23	0	0
Temblor	0	2	0	0
Towne Exploration	1	11	0	0
Vaquero Energy	4	42	0	0
Venoco, Inc.	0	3	0	0
Vintage Production	0	39	0	0
Totals	**126**	**2452**	**27**	**0**

Attachment B

COUNTY OF SANTA BARBARA

Planning and Development

COMPLIANCE REQUIRED PRIOR TO:

LAND USE PERMIT NO: 11LUP-00000-00106

☑ Grading / Construction (Pre-Construction Meeting)

☑ Final Building Inspection

Please call: Analise Merlo

Project Name: BreitBurn Energy Co. Oil Well Abandonments and Relocations
Project Address: 1555 Orcutt Hill Road, Orcutt
A.P.N.: 101-020-074
Zone: AG-II-100

The Planning and Development Department hereby approves and intends to issue this Land Use Permit for the development described below, based upon the required findings and subject to the attached terms and conditions.

FINAL APPROVAL DATE: April 28, 2011

APPEAL PERIOD BEGINS: April 29, 2011

APPEAL PERIOD ENDS: May 9, 2011

DATE OF PERMIT ISSUANCE: *(if no appeal filed)* May 10, 2011

NOTE: This final approval may be appealed to the County Planning Commission or by the applicant, owner, or any aggrieved person adversely affected by such decision. The appeal must be filed in writing and submitted with the appropriate appeal fees to the Planning and Development Department either at 123 East Anapamu Street, Santa Barbara or 624 West Foster Road, Suite C, Santa Maria, prior to 5:00 p.m. on the APPEAL PERIOD ENDS date identified above. *(CLUDC Section 35.102.020)* If you have questions regarding this project please contact the planner Dana Carmichael at 805-934-6250.

PROJECT DESCRIPTION SUMMARY: Modification to well locations approved under Oil and Gas Production Plan 05PPP-00000-00001. A total of 19 wells (15 wells at well pod 3, and 4 wells from well pod 1) would be abandoned, and re-drilled at the existing Newlove 66 location, and currently approved well pods 2,4,5, and 6. All of the conditions approved under 05PPP-00000-00001 would apply to the project. The proposed project would not result in grading, or an increase in the size of the existing approved well pod locations. The maximum number of wells on site will not exceed the ninety-six (96) currently approved under 05PPP-00000-00001.

PROJECT SPECIFIC CONDITIONS: See Attachment A

ASSOCIATED CASE NUMBERS: 05PPP-00000-00001

PERMIT COMPLIANCE CASE:
___ No _X_ Yes; Permit Compliance Case (PMC) #: 09PMC-00000-00021

BOARD OF ARCHITECTURAL REVIEW (BAR): _X_ No ___Yes; BAR Case #:________________

TERMS OF PERMIT ISSUANCE:

1. **Posting of Notice.** Notice of the project shall be posted by the applicant utilizing the language and form of the notice provided by the Planning and Development Department. The notice shall remain posted continuously until at least 10 calendar days following action on the permit. *(CLUDC Section 35.106.050)*
2. **Work Prohibited Prior to Permit Issuance.** No work, development, or use intended to be authorized pursuant to this approval shall commence prior to issuance of this Land Use Permit and/or any other required permit (e.g., building permit).

WARNING! THIS IS NOT A BUILDING/GRADING PERMIT.

3. **Date of Permit Issuance.** This Permit shall be issued and deemed effective on the **Date of Permit Issuance** identified above, provided:
   a. All terms and conditions including the requirement to post notice have been met and this Permit has been signed;
   b. The **Affidavit of Posting Notice** was returned to the Planning and Development Department prior to the issuance of the Land Use Permit; and
   c. An appeal has not been filed.
4. **Time Limit.** This Land Use Permit shall expire two years from the date of issuance and be null and void if the use and/or structure for which the permit is issued has not been lawfully established or commenced in compliance with the effective permit unless a time extension is approved. *(CLUDC Section 35.82.110)*

NOTE: Issuance of a permit for this project does not allow construction or use outside of the project description, or terms or conditions; nor shall it be construed to be an approval of a violation of any provision of any County policy, ordinance or other governmental regulation.

OWNER/APPLICANT ACKNOWLEDGMENT: Undersigned permittee acknowledges receipt of this approval and agrees to abide by all terms and conditions thereof.

John Fox [signature] 4/28/2011

Print Name Signature Date

Planning and Development Department Approval by:

[signature] 4/28/11

Planner Date

Planning and Development Department Issuance by:

[signature] 5/10/2011

Planner Date

ATTACHMENT A
CONDITIONS OF APPROVAL

The following conditions of approval from 05PPP-00000-00001 apply to the proposed project:

1. **On-Sight Lighting Requirements.** Existing light fixtures and proposed exterior lighting on the project site that is to be used on a regular basis for safety and security shall be low intensity, shielded to direct light downward, and oriented to the south to minimize lighting and glare impacts to viewing locations north of the project site. If temporary sources of higher intensity lighting are required for emergency or other intermittent operations that must be conducted during nighttime hours, such illumination shall be provided only when necessary, and shall also be shielded and oriented southward. **Plan Requirements and Timing**: The locations of all exterior lighting fixtures, an arrow showing the direction of light being cast by each fixture, the height of existing, proposed and relocated fixtures, and light intensity (i.e., wattage, foot-candles at the ground surface, etc.) shall be depicted on a Lighting Plan to be reviewed and approved by P&D prior to the approval of a land use permit for grading.

   Monitoring: Permit Compliance shall inspect lighting fixtures to ensure that exterior lighting has been installed consistent with the approved Lighting Plan.

2. **Building and Equipment Colors.** The exterior surfaces of all tanks and structures located at the proposed tank battery/steam generator site shall be painted a dark, non-reflective color compatible with surrounding terrain with the exception of the water treatment equipment building, which will be painted "slate gray." **Plan Requirement:** Proposed color sample(s) shall be submitted to P&D for review and approval. **Timing:** Proposed paint color(s) shall be approved prior the approval of a land use permit for grading. New tanks shall be painted prior to the start of project operations.

3. **Dust Control.** Dust generated by proposed grading activities shall be kept to a minimum with a goal of retaining dust on the project site. The following dust control measures shall be implemented at the project site.

   a. During clearing, grading, earth moving, excavation, or transportation of cut or fill materials, water trucks or sprinkler systems are to be used to prevent dust from leaving the site and to create a crust after each day's activities cease.

   b. During construction, water trucks or sprinkler systems shall be used to keep all areas of vehicle movement damp enough to prevent dust from leaving the site. At a minimum, this would include wetting down such areas in the later morning and after work is completed for the day and whenever wind exceeds 15 miles per hour.

   c. Soil stockpiled for more than two days shall be covered, kept moist, or treated with soil binders to prevent dust generation.

   Plan Requirements: All requirements shall be shown on grading and building plans. **Timing:** Condition shall be adhered to throughout all grading and construction periods.

   Monitoring: P&D shall ensure measures are provided on project plans. P&D, Grading and Building inspectors shall spot check; Grading and Building shall ensure compliance on-site. APCD inspectors shall respond to nuisance complaints.

4. **Dust Control Monitoring.** The contractor or builder shall designate a person or persons to monitor the dust control program and to order increased watering as necessary to prevent transport of dust off-site. Their duties shall include holiday and weekend periods when work may not be in progress. **Plan Requirements:** The name and telephone number of such persons shall be provided to the APCD. **Timing:** The dust monitor shall be designated prior to the issuance of a land use permit for grading.

Monitoring: P&D shall contact the designated monitor as necessary to ensure compliance with dust control measures.

5. **Native Tree Avoidance.** To protect native coast live oak and Bishop pine trees and to minimize adverse effects of grading and construction, the applicant shall implement a tree protection and replacement plan for Well Pods 1, 2, 3, 4, and 6, and the tank battery/steam generator site. No ground disturbance shall occur within the critical root zone of any native tree unless specifically authorized by the approved tree protection plan. At minimum, the tree protection plan shall include the following elements.

   a. Prior to the issuance of a land use permit for grading for each project development phase, all potentially affected coast live oak and Bishop pine trees shall be fenced at or outside of the critical root zone. Fencing shall be at least three feet in height of chain link or other material acceptable to P&D and shall be staked every six feet. The applicant shall place signs stating "tree protection area" at 15 foot intervals on the fence. Fencing and signs shall remain in place throughout all grading and construction activities.

   b. No tree removal or damage is authorized by this permit. However, any unanticipated damage to trees or sensitive habitats from construction activities shall be mitigated in a manner approved by P&D. This mitigation shall include but is not limited to posting of a performance security, tree replacement on a 10:1 ratio and hiring of an outside consulting biologist or arborist to assess damage and recommend mitigation. The required mitigation shall be done under the direction of P&D prior to any further work occurring on site. Any performance securities required for installation and maintenance of replacement trees will be released by P&D after its inspection and approval of such installation and maintenance.

   c. The tree protection plan shall clearly identify any areas where grading, trenching or construction activities would encroach within the critical root zone of any native or specimen tree. All encroachment is subject to review and approval by P&D.

   d. Construction equipment staging and storage areas shall be located outside of the protected area and shall be depicted on project plans submitted for land use clearance. No construction equipment shall be parked, stored or operated within the protected area. No fill soil, rocks or construction materials shall be stored or placed within the protected area.

   e. Any encroachment within the critical root zone of native trees shall adhere to the following standards:

      1. Any paving shall be of pervious material (gravel, brick without mortar or turf block).
      2. Any trenching required within the critical root zone of a protected tree shall be done by hand.
      3. Any roots one inch in diameter or greater encountered during grading or trenching shall be cleanly cut and sealed.

   f. Any protected trees that are removed, relocated and/or damaged (more than 20% encroachment into the critical root zone) shall be replaced on a 10:1 basis with 1 gallon size saplings grown from seed obtained from the same watershed as the project site. Where necessary to remove a tree and feasible to replant, trees shall be boxed and replanted. A drip irrigation system with a timer shall be installed. Trees shall be planted within six months after the start of project operations and irrigated and maintained until established (five years). The plantings shall be protected from predation by wild and domestic animals, and from human interference by the use of staked, chain link fencing and gopher fencing during the maintenance period.

   g. Due to the phased implementation of the proposed project, separate land use and grading permits shall be obtained for each project development phase.

Plan Requirements: Prior to approval of a Land Use Permit, the applicant shall submit a tree protection plan to P&D for review and approval. The plan shall be prepared by a P&D approved biologist or arborist. All aspects of the plan shall be implemented as approved. **Timing:** All required tree protection measures shall be installed prior to the start of grading and shall be maintained throughout all grading and construction activities.

Monitoring: P&D Permit Compliance shall confirm fence installation throughout each of the project development phases to ensure compliance with and evaluate all tree protection and replacement measures.

6. **Sensitive Plant Avoidance.** The applicant shall implement a plant protection plan to protect Lompoc yerba santa and La Purisima manzanita plants located adjacent to proposed Well Pods 1, 2, 3, 4, and 6, the tank battery/steam generator site, and the proposed steam line and production line routes; and to protect potential wetland areas located along the northern side of Well Pod 3. At minimum, the plant protection plan shall include the following elements.

   a. Prior to the issuance of a Land Use Permit for grading for each project development phase, proposed steam line and production line routes shall be staked in the field, and proposed ground disturbance areas at the tank battery/steam generator site and each affected oil well pod site shall also be staked. A P&D approved biologist shall survey the staked areas and flag or otherwise identify the locations of La Purisima Manzanita and Lompoc yerba santa plants located within ten (10) feet of the proposed steam/production line routes, proposed oil well pod sites, and the tank battery/steam generator site. All La Purisima manzanita and Lompoc yerba santa locations shall be mapped and recorded on detailed site plans for post-construction verification of any plant removal or disturbance. At Well Pod 3, all plants that are indicative of the presence of wetlands (brass buttons, toad rush and flat rush) shall also be located and flagged or otherwise identified in the field.

   b. Under supervision of a P&D approved biologist, proposed steam/production line routes shall be modified and staked in the field to avoid impacts to Lompoc yerba santa plants. All steam/production line construction that occurs within 50 feet of identified Lompoc yerba santa plants shall be conducted under supervision of a P&D approved biologist.

   c. To minimize the potential for direct and indirect impacts to sensitive plant species at oil well pod sites and the tank battery/steam generator site, temporary construction fencing shall be provided between sensitive plants and proposed construction areas. Construction fencing shall be placed at the direction of the P&D approved biologist, but at least ten (10) feet from identified Lompoc yerba santa or La Purisima manzanita plants, and at least 50 feet from identified wetland indicator plants. Fencing shall be at least three feet in height of chain link or other material acceptable to P&D and shall be staked every six feet. The applicant shall place signs stating "plant protection area" at 15 foot intervals on the fence. Fencing and signs shall remain in place throughout all grading and construction activities.

   d. Any unanticipated damage that occurs to sensitive plants resulting from construction activities shall be mitigated in a manner approved by P&D. This mitigation may include but is not limited to posting of a performance security, plant replacement on a 10:1 ratio, and hiring of an outside consultant biologist to assess the damage and recommend mitigation. The required mitigation shall be done immediately under the direction of P&D prior to any further work occurring on site. Any performance securities required for installation and maintenance of replacement plants will be released by P&D after its inspection and approval of such installation.

   e. Implementation of the required plant protection plan does not relieve the permit-holder of any duties, obligations, or responsibilities under the Endangered Species Act (ESA) or any other law. The applicant shall be responsible for compliance with the requirements of the ESA, including obtaining an Incidental Take permit for Lompoc yerba santa plants, if it is determined that "take" will occur.

Attachment C

Brian Trautwein

From:	Cantle, Peter <pcantle@co.santa-barbara.ca.us>
Sent:	Thursday, October 06, 2016 12:58 PM
To:	Brian Trautwein
Subject:	FW: Question about acreage

Brian, I presented your question to John Storrer, who has provided bio support for the project and its analysis. His response is below.

Regards,

Peter Cantle, Deputy Director
Energy & Minerals Division
Planning and Development Department
Santa Barbara County
123 E. Anapamu Street
Santa Barbara, CA 93101
805.568.2519
pcantle@countyofsb.org

Hi Peter:

I've attached the 2016 report prepared by Chambers Group. Brian already has this information, as it was submitted to the Planning Commission.

I have not seen the 2008 report/assessment. It was not part of the submittal. The 2016 report provides quantification of LYS in both years as a comparison and as basis for their contention that the plant has increased in distribution and abundance. Survey methodology for the 2008 survey is not provided, which I pointed out as an issue when making such comparisons (i.e. differences in survey method could influence results).

Method for the 2016 report is described as follows:

"The Survey Area encompassed the 285 - acre Project Site as well as a buffer around any Project work areas and adjacent populations of Lompoc yerba santa surveyed in 2008."

Attachment 2 (Figure labeled "Project Vicinity Map") shows the area subject to survey in both years. It also provides quantification of the "Project Site" (285 acres) and "Additional Survey Area in 2008/16" (135 acres. From this I would infer that the area surveyed in 2008 was 285 acres and the area surveyed in 2016 was 420 acres, which included the "buffer" described in the 2016 report.

Take home:

Area surveyed in 2008 = 285 acres.
Area surveyed in 2016 = 420 acres.

Again, Brian already has this information.

I hope this helps.

~ John

From: Cantle, Peter [mailto:pcantle@co.santa-barbara.ca.us]
Sent: Wednesday, October 05, 2016 5:02 PM
To: John Storrer
Cc: Briggs, Errin
Subject: FW: Question about acreage

John, I've gotten the attached follow-up from Brian Trautwein. Can you take a look at the Chambers report and let me know if it addresses Trautwein's question (see yellow hightlight).

Thanks!

PCC

Peter Cantle, Deputy Director
Energy & Minerals Division
Planning and Development Department
Santa Barbara County
123 E. Anapamu Street
Santa Barbara, CA 93101
805.568.2519
pcantle@countyofsb.org

From: Brian Trautwein [mailto:btrautwein@environmentaldefensecenter.org]
Sent: Wednesday, October 05, 2016 10:58 AM
To: Cantle, Peter
Subject: RE: Question about acreage

Hi Peter,

My take on what you sent is that it includes acreages of Lompoc yerba santa found during surveys but not the *total acreages surveyed for Lompoc yerba santa* in 2008 and 2016.

The page you emailed is part of a report that was submitted to the PC on June 27. EDC already has this information.

Can you please provide the actual acreages surveyed during the 2008 and 2016 surveys, both on the project site as well as off, as EDC requested on September 26, below?
If you do not have this information, please let me know.

Thank you,

Brian Trautwein
Environmental Analyst / Watershed Program Coordinator
Environmental Defense Center
906 Garden Street
Santa Barbara, CA 93101

(805)963-1622 ext. 108
BTrautwein@EnvironmentalDefenseCenter.org
www.EnvironmentalDefenseCenter.Org

From: Cantle, Peter [mailto:pcantle@co.santa-barbara.ca.us]
Sent: Wednesday, October 05, 2016 10:20 AM
To: Brian Trautwein
Subject: FW: Question about acreage

Brian,

Here is some information from the Chambers piece, which has acreage estimates for both surveys.

Peter Cantle, Deputy Director
Energy & Minerals Division
Planning and Development Department
Santa Barbara County
123 E. Anapamu Street
Santa Barbara, CA 93101
805.568.2519
pcantle@countyofsb.org

From: Brian Trautwein [mailto:btrautwein@environmentaldefensecenter.org]
Sent: Monday, September 26, 2016 9:35 AM
To: Cantle, Peter
Cc: pcantle@countyofsantabarbara.org
Subject: Question about acreage

Hi Peter,

Can you please let us know how many acres total PCEC surveyed for Lompoc Yerba Santa in 2008 and how many acres total PCEC surveyed for Lompoc Yerba Santa in 2016?

Similarly, can you tell us how many acres of the Project site PCEC surveyed for Lompoc Yerba Santa in 2008 and how many acres of the Project site PCEC surveyed for Lompoc Yerba Santa in 2016?

Thank you,
Brian

Brian Trautwein
Environmental Analyst / Watershed Program Coordinator
Environmental Defense Center
906 Garden Street
Santa Barbara, CA 93101
(805)963-1622 ext. 108
BTrautwein@EnvironmentalDefenseCenter.org

www.EnvironmentalDefenseCenter.Org

Attachment D

NOTICE OF EXEMPTION
LAND USE PERMIT

Case No.:05EXE0000000127 **Planner**: L. Appel **Initials**___
Project Name: BreitBurn Energy – Steam Injection (Orcutt Hill Field)
Project Address: 1555 Orcutt Hill Road
A.P.N.: 101-020-043; 101-020-074
Zone District: AG-II-100

COUNTY OF SANTA BARBARA CALIFORNIA

Planning & Development (P&D) *grants final approval and intends to issue* this Land Use Permit for the development described below, based upon the required findings and subject to the attached terms and conditions.

FINAL APPROVAL DATE: May 18, 2005

POSTING DATE/APPEAL PERIOD BEGINS: N/A

APPEAL PERIOD ENDS: N/A

DATE OF PERMIT ISSUANCE: *(if no appeal filed)* May 18, 2005

NOTE: This final approval may be appealed to the Planning Commission by the applicant, owner, or any interested person adversely affected by such decision. The appeal must be filed in writing with P&D at 123 East Anapamu Street, Santa Barbara, CA 93101 or 624 W. Foster Road, Santa Maria, CA, 93455, within (10) calendar days following the **Final Approval Date** identified above. (Secs. 35-327. & 35-489.) If you have questions regarding this project please contact the planner at 934-6250.934-6250

PROJECT DESCRIPTION SUMMARY:
Steaming with State Water of the following recompleted wells: Dome #13, Newlove #76, and Newlove #97

PROJECT SPECIFIC CONDITIONS: All steaming must utilize state water purchased from the City of Santa Maria. Proof of continued sale of water shall be provided monthly to P&D.

ASSOCIATED CASE NUMBERS:

TERMS OF PERMIT ISSUANCE:

1. **Work Prohibited Prior to Permit Issuance**. No work, development, or use intended to be authorized pursuant to this approval shall commence prior to issuance of this Land Use Permit and/or any other required permit (e.g., building permit). WARNING! THIS IS NOT A BUILDING/GRADING PERMIT.

2. **Date of Permit Issuance.** This Permit shall be deemed effective and issued on the **Date of Permit Issuance** as identified above, provided:

   a. All terms and conditions must be met and this Notice/Permit shall be signed.

NOTE: This Notice of Final Approval/Intent to Issue a Land Use Permit serves as the Approval and the Land Use Permit once the permit is deemed effective and issued. Issuance of a permit for this project does not allow construction or use outside of the project description, or terms or conditions; nor shall it be construed to be an approval of a violation of any provision of any County Policy, Ordinance or other governmental regulation

OWNER/APPLICANT ACKNOWLEDGMENT: Undersigned permittee acknowledges receipt of this approval and agrees to abide by all terms and conditions thereof.

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Print Name Signature Date

Planning & Development Issuance by:

_______________________ / ______________

Planner Date

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