

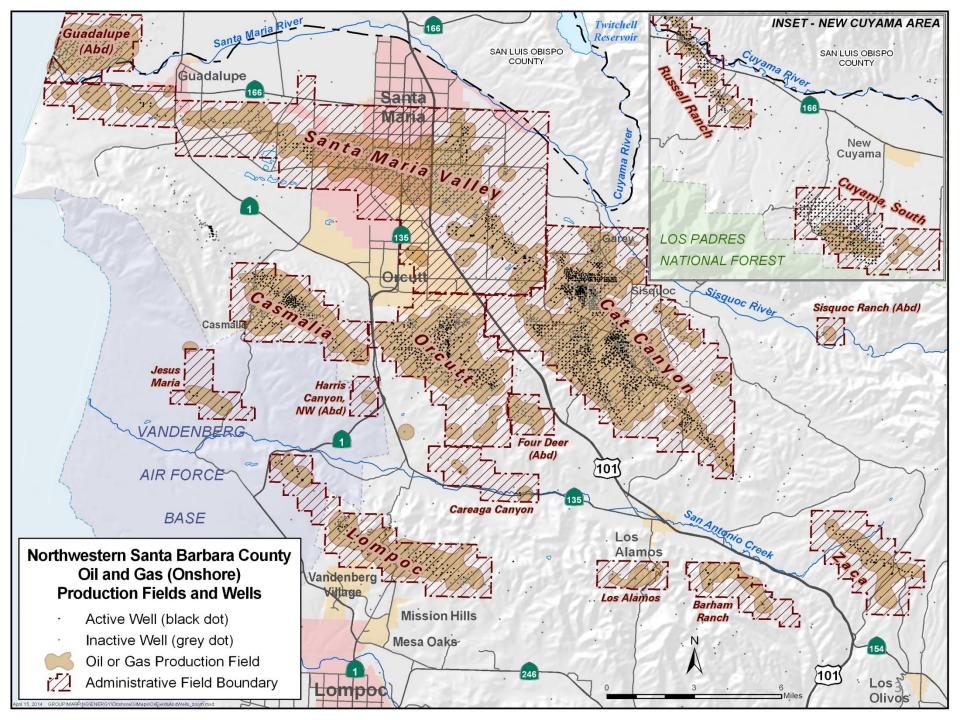
Planning & Development Energy, Minerals & Compliance Division

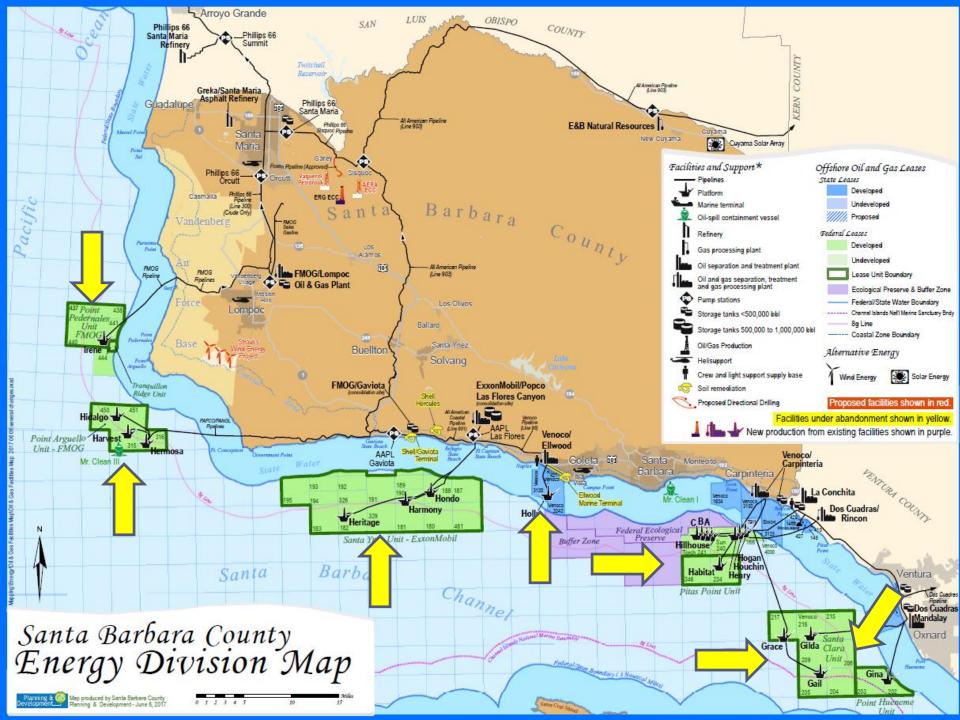
February 12, 2019

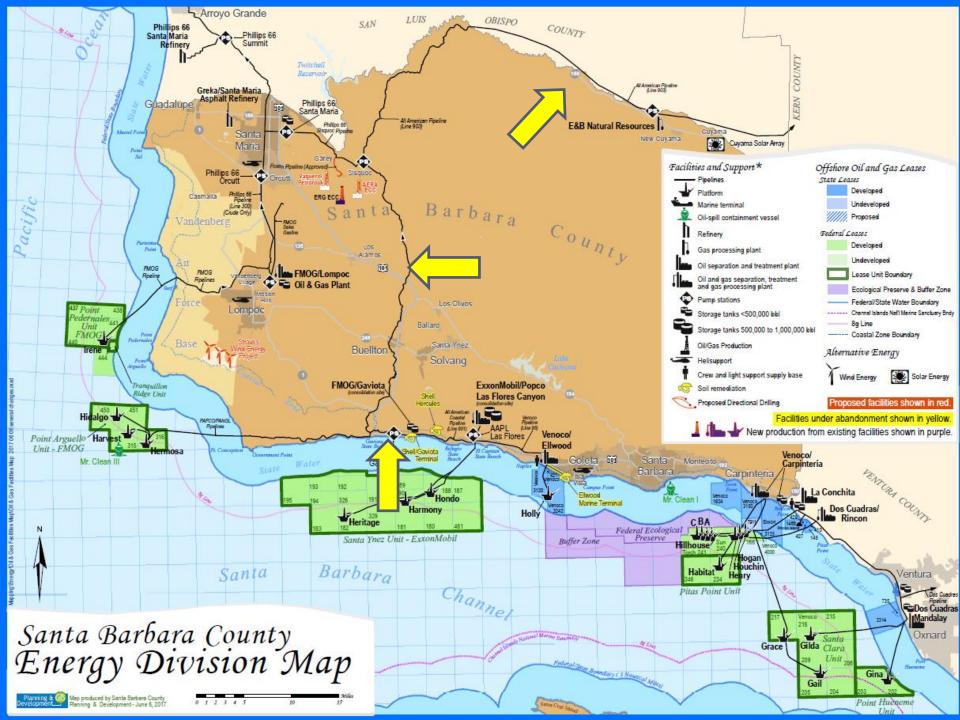
Overview

Today's briefing on:

- Onshore Oil & Gas Development
- Offshore Oil & Gas Development
- Compliance & Inspection Results
- Federal Oil & Gas Leasing Programs









Petroleum Unit Inspection Results 2015 - 2018

- County Petroleum Staff inspects over 2,450 existing wells and 125 related facilities annually
- 156 violations issued during the four-year period, 134 directed toward a single operator (HVI Cat Canyon, Inc.)
- High of 65 violations in 2017
- Approximately \$154,000 collected in fines in 2017/2018

Fire Department Inspection Results 2015-2018

- Approximately 140 facilities inspected annually
- 732 violations issued over the four-year period
- 392 violations given to a single operator
- High of 381 violations issued in 2016
- Most violations considered minor in nature and corrected in a timely manner

APCD Inspection Results 2015-2018

- Approximately 70 stationary sources inspected
- 250 violations issued over the four-year period
- High of 71 violations issued in 2016
- 125 violations issued to a single operator (HVI Cat Canyon, Inc.)
- Approximately \$466,000 collected in fines in 2017/2018

Spill Statistics 2015-2018

- 34 spills reported during four-year period
- Spills did not impact active waterways
- Spills range in size from 1 barrel to 150 barrels
- 2018 had highest spill volumes
 - 150 barrels of crude oil
 - Spill confined to secondary containment area.

EHS Inspection Results 2017-2018

- Approximately 29 facilities inspected
- 10 violations issued over the two-year period

3 violations issued to a single operator

 Most violations considered minor in nature and corrected in a timely manner

DOGGR Inspection Results 2017-2018

- Approximately 500 facilities inspected
- 196 violations issued over the two-year period
- 68 violations issued to a single operator
- Examples of violations issued include: Spills, environmental lease inspection violations, overdue Underground Injection Control tests, and non-compliant berms around tanks.

RWQCB Inspection Results 2017-2018

- Two violations for Oil & Gas related activities
 - HVI Cat Canyon, Inc.: Failure to submit technical report detailing potential injection well casing breach
 - Gaviota Terminal Company: Work activities within Alcatraz Creek exceed the scope of approved work plan
- RWQCB is working with HVI Cat Canyon, Inc.
 to obtain additional information to
 understand the scope of well failure.

Operational Status

Venoco

 Platform Holly & associated onshore processing facilities to be removed

Plains Pipeline

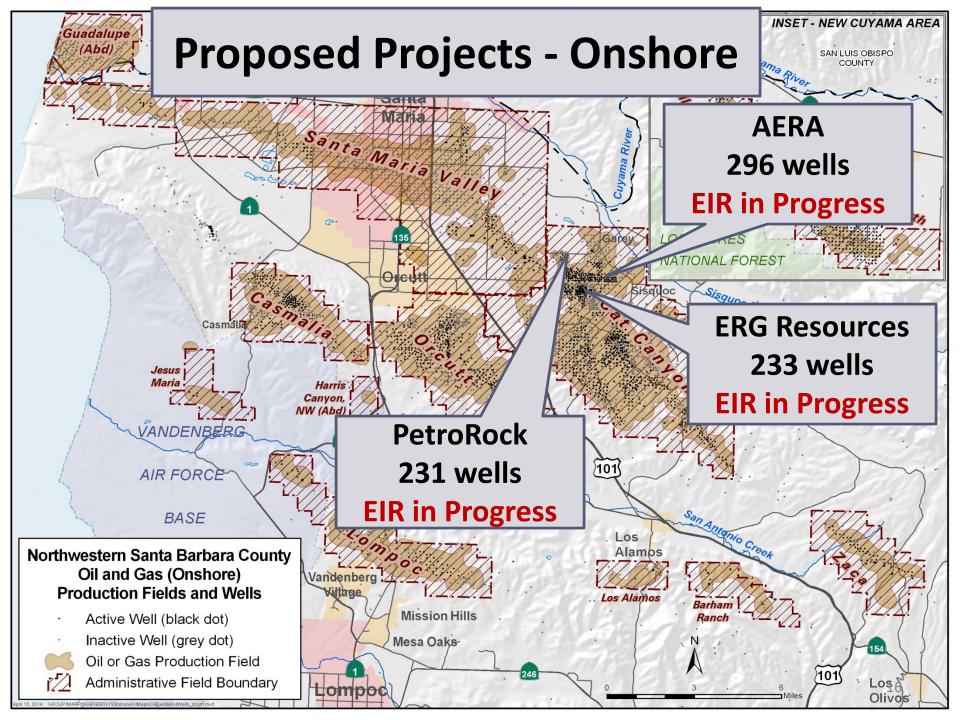
- Pipeline remains empty and shut in.
- Application submitted to construct replacement pipeline

Exxon

- Las Flores Canyon facility and the three offshore platforms are currently shutdown
- Application submitted to transport oil via trucking until Plains Pipeline becomes available

Operational Status (con't.)

- Pt. Arguello -
 - Platforms & onshore processing facility shutdown
 - Platforms and onshore facilities will be decommissioned
- Pt. Pedernales
 - Platform Irene & Lompoc Oil and Gas Facility remain operational



Underground Injection Control Aquifer Exemptions

- DOGGR and RWQCB responsible for reviewing & preparing aquifer exemptions
 - Cat Canyon Oil Field: Exemption application planned to be released for public review in February 2019.
 - Lompoc Oil Field :
 - Main Area: All current injection confined to the approved Monterey formation.
 - Northwest Area: Application currently under RWQCB review
 - Casmalia and Zaca Oil Fields: Current injection activities are within exempted aquifers.

Federal Outer Continental Shelf Leasing Program

- Proposed program for 2019 2024 would replace the current 2017– 2022 program
- Multi-step federal process, numerous opportunities for public input
- Next step is to seek public review & comment on draft proposed leasing program

BLM Leasing Program Hydraulic Fracturing on Public Lands

- Notice of Intent released in August 2018 to solicit comments for preparation of a supplemental EIS
- EIS would analyze impacts of hydraulic fracturing technology on public land and mineral estates in central portion of California.
- Multi-step federal process, numerous opportunities for public input
- Next step: Public review & comment on draft supplemental EIS planned for release in 2019

Thank You