GET OIL OUT!

PO Box 23625
Santa Barbara, CA 93121

November 16, 2007

Eric Gillies, Project Manager
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

Dear Mr. Gillies:

On Get Oil Out!'s behalf, I want to again thank State Lands Commission (SLC) staff for holding a public hearing in Goleta last month on the Draft Environmental Impact Report (DEIR) for the proposed recommissioning of Lease 421. I am submitting this letter as a followup to the testimony presented by GOO! Board Member Mike Lyons at that hearing. I also want to thank Commission staff for extending the deadline for written comments to November 16th, so that it would occur after the SLC hearing on the Ellwood Marine Terminal (EMT) Lease. Unfortunately, as you know, the EMT item was not heard on October 30th

Before I make my specific comments, I would like to reiterate GOO!'s disappointment that, although the Draft EIR reflects the statements made by Carla Frisk, on our behalf, at the Scoping hearing, it does not include GOO!'s written comments on the Notice of Preparation which were submitted in advance of the deadline. I am asking that both our June 27, 2005 and November 16, 2007 letters be incorporated into the Final EIR on this project. A copy of the June 27th letter is attached.

Project Objective and Description

The document begins by saying that "the main objective of the proposed Lease 421 Recommissioning project is "to return oil and gas lease PRC 421 to full oil production." This project objective is ridiculously narrow--language which broadens the Project Objective so that a greater variety of Alternatives to the proposed project can be examined should be included. Drawing a project objective so narrow that the only project that can meet the objective is the one being proposed is unacceptable. The project description indicates that production is expected to last 12 years, beginning in 2007, which clearly will not happen. This date, which is critical to assessing the transportation scenarios involved, needs to be revised. Furthermore, while Venoco has proposed that the project would have a productive life of 12 years, Page 2-27 states "historic data suggests that production could potentially continue beyond that time", however there is no indication as to how much longer. The project description is clearly a moving target and this should be acknowledged up front, not later in the document.

Oil Transportation/Ellwood Marine Terminal

As indicated above, the SLC has not yet made a decision on the EMT Lease. This decision will affect all of the assumptions related to the transportation of oil produced by the project. GOO! would, therefore, request that this document not be finalized until a decision is made on the EMT Lease, thus

allowing staff to incorporate the ramifications of that decision into the FEIR for Lease 421. Page E-5 names two alternative modes of transportation which could be used once the barge cannot be; truck transportation to the Rincon Onshore facility or "the 10 inch pipeline connecting the EOF with the All American Pipeline at Las Flores canyon that would be constructed under the Ellwood Full Field Development Project." This verbage assumes that a pipeline would only be built if the Full Field Development Project is approved and that it would be a pipeline from the EOF to Las Flores Canyon. Since no action has been taken by the SLC on the EMT Lease, it is inappropriate to assume that a pipeline will ONLY be constructed under the Full Field Development Project. Furthermore, it is GOO!'s understanding that two pipeline routes are being reviewed in the Full Field Development DEIR. This section should not presume that a pipeline from the EOF to the All American pipeline is the only pipeline alternative.

Page 2-24 states that the SLC decision on the EMT lease renewal should be made in summer, 2007. This date needs to be adjusted and the lease should be referred to as a new lease, not a renewal, consistent with the language on pages 4-1 and 2 of the EMT Lease F EIR. Page 2-25 states that it is unlikely that the onshore lease with the University of California would be renewed or extended beyond 2016. In fact, pursuant to a permit condition on the Coastal Commission's permit for the University's housing project, this onshore lease CANNOT be renewed. The document needs to reflect that limitation. On the same page, the document estimates that if truck transportation were to be used, two trucks per day would be needed in the early stages. This appears to be just for Lease 421 oil, but the document does not say the total number of trucks that would be need for all oil being transported. Furthermore, Table 2-3 should be updated to reflect the EMT Throughput in 2006 and 2007, if possible.

Future Plans and Abandonment

Page 2-34 indicates that decommissioning would likely involve removal of the seawall, beachside access road, pipelines and power cables within the access road, etc. The FEIR needs to be clear about what abandonment will include, not what it is likely to include.

Alternatives

Page 3-7 discusses the No Project Alternative with Pressure Testing. This section should also discuss any mechanisms that would have been used today to deal with the repressurization issue had the wells been decommissioned and abandoned in 1994 after the pipeline break. Page 3-9 indicates that the Onshore Oil Processing at EOF alternative MAY require submittal of an application to the City of Goleta for a rezone and General Plan amendments for the site. Given the importance of the legal non-conforming use of the existing EOF, this issue MUST be clarified one way or the other in the FEIR. Since oil from Lease 421 has never been processed at the EOF, GOO! believes that a rezone would absolutely be necessary if this alternative should be selected. Should decisionmakers wish to consider this alternative, the implications relating to a requirement to rezone MUST be clear.
A definitive opinion on the need for a rezone and General Plan amendment should, therefore, be solicited from the City of Goleta.

In addition, the pipeline alternatives discussed on pages 3-14 and 3-15 should discuss the possibility of an offshore pipeline from Platform Holly to Las Flores Canyon.

Baseline

The discussion on Page 4-2 assumes that "the Ellwood Marine Terminal will continue to operate through January 16..." Not only does GOO! completely disagrees with that assumption, but it is inconsistent with the rest of the document which uses the 2013 date since the EMT application is for continued use of the barge from 2003 to 2013. Waiting until the SLC makes a decision on the EMT lease, as suggested above, will resolve this issue.

Lease 421 and Full Field Development

Page 2-26 indicates that the Full Field Development DEIR will be released in summer of 2007—that date needs to be revised, as do the dates for several of the oil development projects described on pages 3-21 through 2-28.

With regards to Full Field Development , it is GOO!'s understanding that the DEIR on that project will be looking at a variety of alternatives which could ultimately affect the transportation of all oil produced by Venoco's Goleta operations (ie. existing, potential Lease 421 and potential lease expansion). Unfortunately, the DEIR for Lease 421 does not have the benefit of that analysis. GOO!, therefore, strongly believes that the Lease 421 project (FEIR and decision-making process) should be delayed to coincide with the proposed Full Field Development project. Given the many possible outcomes, it would be most appropriate for decision-makers to have the full array of possibilities before them at the same time. Of all of GOO!'s comments it is this comment that is the most important to assuring that the public interest is ultimately served.

In conclusion, GOO! wishes to reiterate two of its key concerns about this proposed project: 1) the issue of aging facilities and 2) the risk of an oil spill and attendant impacts, two issues which are linked, especially due the location of this project immediately in the surf zone. Furthermore, while upgrades will be made to many of the facilities that will be used to produce oil from Lease 421, the key components, including all of EMT facilities, the caissons that support the piers, etc., and the pipelines are VERY old. In fact, if Venoco were proposing this project today, as a new proposal, GOO! believes it would never be approved. Finally, the fact that most of the Class I impacts of this project are related to risk of oil spill speaks for itself.

GOO! looks forward to continuing to participate in the permit process for this, and the other related oil and gas projects in Goleta.

Sincerely,

Abe Powell

Abe Powell, President
AP:cdf

cc: Doug Anthony, County Energy Division