

California State Lands Commission

PART I – PREFACE

Final Environmental Impact Report for the
Revised PRC 421 Recommissioning Project, November 2014

PART I. PREFACE TO FINAL ENVIRONMENTAL IMPACT REPORT

PURPOSE

This document is the Final Environmental Impact Report (EIR) (November 2014) for the Revised PRC 421 Recommissioning Project (Project). This Final EIR:

- Has been prepared for consideration by the California State Lands Commission (CSLC or Commission), as the Lead Agency for this Project, pursuant to the California Environmental Quality Act (CEQA) and in accordance with the State CEQA Guidelines (Pub. Resources Code § 21000 et seq. and Cal. Code of Regs., tit. 14, § 15000 et seq., respectively); and
- Replaces in its entirety:
 - 1) a Final EIR, released in January 2014¹, that the Commission, at its April 23, 2014, meeting, directed staff to revise, and
 - 2) a Recirculated Draft EIR released for a 60-day public review period in July 2014.

ORGANIZATION OF FINAL EIR

Consistent with State CEQA Guidelines section 15132, the Final EIR, reproduced for convenience in a one-volume document, consists of the following elements:

- **Part I** – Preface;
- **Part II** – Comments and Responses to Comments received on the July 2014 Recirculated Draft EIR during the 60-day public comment period, including a list of persons, organizations, and public agencies that provided comments; and
- **Part III** – Revisions to the July 2014 Recirculated Draft EIR and any other information added to the EIR by the CSLC as Lead Agency. Part III includes the entire text of the Recirculated Draft EIR, as revised, including revisions to the text of the Recirculated Draft EIR in response to comments received or for reasons that include: to update information; to refine discussions and resolve internal inconsistencies; and to make minor format changes. Some changes have resulted in a shifting of text from one page to another. Except for minor format changes, all revisions to the Recirculated Draft EIR are shown as follows.
 - Additions to the text of the Recirculated Draft EIR are underlined.
 - Deletions of the text of the Recirculated Draft EIR are shown as ~~strikeout~~.
 - Figures updated from those presented in the Recirculated Draft EIR are marked [revised].

¹ Comments received on the 2013 Draft EIR and the responses and revisions provided in the January 2014 Final EIR are being maintained by CSLC as part of the administrative record.

The Final EIR may be viewed at the following repository locations and on the CSLC website (www.slc.ca.gov/Division_Pages/DEPM/DEPM_Home_Page.html):

Goleta Branch Library 500 N. Fairview Ave. Goleta, CA 93117-1797 (805) 964-7878	Santa Barbara Public Library 40 E. Anapamu St. Santa Barbara, CA 93101 (805) 962-7653
City of Goleta, Planning & Environmental Review Attn: Anne Wells 130 Cremona Dr., Ste. B Goleta, CA 93117 (805) 961-7546	County of Santa Barbara Attn: Kevin Drude 123 E. Anapamu St. Santa Barbara, CA 93101 (805) 568-2513
California State Lands Commission Attn: Steve Curran 200 Oceangate, 12 th Floor Long Beach, CA 90802 (562) 590-5266	California State Lands Commission Attn: Eric Gillies 100 Howe Ave., Suite 100-South Sacramento, CA 95825 (916) 574-1897

PROJECT DESCRIPTION

Venoco, Inc. (Venoco), an independent oil and gas company and the operator of State Oil and Gas Lease PRC 421 (PRC 421), is seeking CSLC approval of its Recommissioning Plan to return PRC 421 to oil production from an existing shoreline well (Well 421-2) that has been shut-in since 1994. The Project would be conducted along the southern coast of California, adjacent to and within the City of Goleta, Santa Barbara County (see Figure 1-1 in Part III of the Final EIR). As proposed:

- Well 421-2 would be recommissioned using an existing pier (Pier 421-2) located on Haskell’s Beach adjacent to the City of Goleta;
- Water and gas from crude oil emulsion extracted from Well 421-2 would be separated at the existing Ellwood Onshore Facility (EOF) in the City of Goleta;
- Infrastructure associated with Well 421-2 production would be upgraded, including repair of caisson walls, a new electrical submersible pump, well safety equipment, and a new flowline to the EOF, and
- Venoco would decommission a second well (Well 421-1) located on an adjacent pier (Pier 421-1) that was historically used as a water and gas injection well during past production of Well 421-2, remove Pier 421-1 that was historically used for the processing and storage of the Well 421-2 product, and remove the caisson and facilities that support Well 421-1.

Production estimates for PRC 421, based on current projections, are as follows:

- Estimated production during the first month is 150 barrels of oil per day (BOPD) due to anticipated repressurization of the reservoir that has likely occurred from the well having been shut-in since 1994. The instantaneous oil production rate is not projected to exceed 500 BOPD; and

- After two years, production is anticipated to taper off to approximately 50 BOPD, matching the well's last 10 years of continuous historical production.

The estimated productive life of PRC 421 is 20 years, which is less than the production life of Platform Holly estimated at a minimum of 40 years. Existing permits for operation of the EOF direct that the EOF be decommissioned when Platform Holly is no longer economically viable; the processing of production from PRC 421 would not change that permit restriction.

DECISION-MAKING PROCESS

The State CEQA Guidelines stipulate that an EIR must be prepared for any project carried out or approved by a state or local public agency that may have a significant impact on the environment. The CSLC has determined that:

- 1) the Revised PRC 421 Recommissioning Project is a “project” as defined by the Guidelines;
- 2) the Project may have a significant adverse impact on the environment; and
- 3) an EIR is required.

The CSLC will use this Final EIR as part of its review process, including determining whether or not to approve Venoco's Recommissioning Plan to resume oil and gas production from State Oil and Gas Lease PRC 421. If the EIR is certified and the Project is approved, mitigation measures will be adopted as part of the approval and incorporated as conditions of resuming oil and gas operations throughout Project implementation. The CSLC must certify that:

- The Final EIR has been completed in compliance with CEQA;
- The Final EIR was presented to the CSLC in a public meeting and the CSLC reviewed and considered the information contained in the Final EIR prior to considering the proposed Project; and
- The Final EIR reflects the CSLC's independent judgment and analysis.

(State CEQA Guidelines § 15090.)

If the CSLC decides to certify the Final EIR and approve the Project, the CSLC must make one or more written findings of fact for each significant environmental impact identified in the document. The possible findings are:

- The Project has been changed (including adoption of mitigation measures) to avoid or substantially reduce the magnitude of the significant impact.
- Changes to the Project are within another agency's jurisdiction and have been or should be adopted by such other agency.
- Specific considerations make mitigation measures or alternatives infeasible.

(State CEQA Guidelines § 15091.)

If any impacts identified in the EIR cannot be reduced to a level that is less than significant, the CSLC may issue a Statement of Overriding Considerations for Project approval if specific social, economic, or other factors justify the Project's unavoidable adverse environmental effects. If the CSLC approves a project for which a Final EIR has been prepared and certified, the CSLC will issue a Notice of Determination.

PROJECT CEQA CHRONOLOGY

The following is a brief chronology of the CEQA documentation process, including public meetings, associated with the proposed Project (see also Final EIR Part III, Section 1.3.2, Public Participation).

- **June 3, 2005 – July 5, 2005.** Notice of Preparation and Scoping Meeting (NOP) published based on Venoco's original Project application. Two scoping meetings held in Goleta on June 23, 2005.
- **September 4, 2007 – November 2, 2007.** Draft EIR released for public review with comments accepted by mail, email, facsimile transmission, and in person at two public meetings held in Goleta on October 16, 2007.
- **December 2007 – January 2013.** The CSLC staff suspended EIR preparation due to major changes in Project details that occurred after release of the 2007 Draft EIR. (The CSLC did not finalize, or respond to the comments received on, the 2007 Draft EIR; all comments received are on file as part of the administrative record.) A summary of changes includes the following: (1) Venoco revised its Project Description in 2013; (2) Line 96 from the EOF to Las Flores Canyon was constructed and is now operating; (3) Venoco ended barging of oil production from the Ellwood Marine Terminal; (4) Venoco completed emergency repairs to the Pier 421-2 caisson; and (5) Project alternatives and cumulative projects have changed. (State CEQA Guidelines § 15088.5, subdivision (g).)
- **January 2013.** CSLC staff and Venoco agree to restart the EIR process.
- **March 6, 2013.** New NOP published.
- **March 26, 2013 – April 29, 2013.** Revised NOP published based on a revised Project description submitted by Venoco, which changed from processing on the PRC 421 piers to processing at the EOF. Two scoping meetings held in Goleta on April 3, 2013.
- **October 18, 2013 – December 20, 2013.** Draft EIR released for public review with comments accepted by mail, email, facsimile transmission, and in person at two public meetings held in Goleta on December 11, 2013.

CSLC staff held public meetings related to the subject EIR in the City of Goleta on the following dates:

- **June 23, 2005 – Scoping**
- **October 16, 2007 – Draft EIR**
- **April 3, 2013 – Scoping (Revised Project)**
- **December 11, 2013 – Draft EIR**
- **September 15, 2014 – Recirculated Draft EIR**

- **December 2013 – January 2014.** Final EIR completed, including CSLC staff responses to all comments received on the October 2013 Draft EIR and revisions to the document.
- **April 23, 2014.** The CSLC deferred certification of the Final EIR (January 2014) and directed staff to include additional analyses, including a full evaluation of the Processing PRC 421 Oil at Las Flores Canyon Alternative, in the EIR.
- **July 24, 2014 – September 24, 2014.** Following substantial revisions to the EIR, including the fully evaluated Processing PRC 421 Oil at Las Flores Canyon Alternative and other changes, a new Recirculated Draft EIR was released for public review with comments accepted by mail, email, facsimile transmission, and in person at two public meetings held in Goleta on September 15, 2014.
- **September 2014 – November 2014.** In preparing this Final EIR (November 2014), the CSLC staff responded to all comments received on the Recirculated Draft EIR, obtained additional information as needed to respond to comments, and prepared revisions to the July 2014 Recirculated Draft EIR (see Parts II and III). The CSLC hearing on the Final EIR and action on the proposed Project is scheduled for December 17, 2014. (Date is subject to change; see www.slc.ca.gov for further information.)

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