

COMMENT SET 7: ENVIRONMENTAL DEFENSE CENTER (EDC)



September 24, 2014

Mr. Eric Gillies, Project Manager
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825
Submitted via email: CEQAcomments@slc.ca.gov

Re: Revised PRC 421 Recommissioning Project – Recirculated Draft Environmental Impact Report

Dear Mr. Gillies,

Thank you for the opportunity to comment on the Recirculated Draft Environmental Impact Report (RDEIR) for Venoco’s Revised PRC 421 Recommissioning Project. These comments are submitted by the Environmental Defense Center (EDC), on behalf of Get Oil Out!, Sierra Club, Los Padres Chapter, Citizens for Goleta Valley, and Citizens Planning Association, and are intended to supplement comments we have previously submitted regarding the Draft and Final EIRs, as well as our testimony at the California State Lands Commission’s (CSLC) April 23, 2014 hearing.¹

We appreciate the recirculation of the DEIR for this project. According to the RDEIR, the document was revised and recirculated to include an analysis of an alternative involving processing PRC 421 oil at Las Flores Canyon, and to “augment” the discussion regarding Vaqueros Reservoir repressurization. (RDEIR at ES-4, 5.) We are surprised, however, that the RDEIR does not address two other issues identified by the CSLC on April 23, 2014: (1) use of the Ellwood Onshore Facility, and (2) additional specification regarding mitigation of the project’s greenhouse gas (GHG) emissions. (See excerpt from CSLC April 23, 2014, transcript at p. 56, attached hereto as “Attachment A”.)

As discussed herein, we continue to believe that the RDEIR lacks substantial evidence that the project will reduce Reservoir repressurization, and that the analysis of the Las Flores Canyon processing alternative is inadequate. In addition, we continue to believe that the

EDC-1

¹ EDC’s prior written and verbal comments are incorporated herein by reference.

September 24, 2014
EDC letter re RDEIR for Venoco PRC 421 Recommissioning Project
Page 2

discussion of mitigation measures for GHG impacts lacks specificity as required by the California Environmental Quality Act (CEQA) (Pub. Res. Code §§ 21000 *et seq.*) Our specific comments follow.

EDC-1
cont.

1.1 PROJECT LOCATION AND BACKGROUND

The RDEIR states that the estimated life of PRC 421 is 20 years, which is less than the life of Platform Holly, which is estimated to be “a minimum of 40 years.” (RDEIR at 1-4.) As we commented previously, the RDEIR must address the discrepancy between the projected 20-year life for PRC 421 in the RDEIR compared to the projection of 12 years in the Notice of Preparation. (See *Revised Notice of Preparation of a Draft Environmental Impact Report and Notice of Public Scoping Meeting*, March 26, 2013.)

Similarly, the projected life of Platform Holly has been significantly extended without explanation. For example, Venoco’s Development Plan Application for the “Extended Field Development from Platform Holly” from 2001 found that production from Platform Holly, without extended field development (equivalent to the current status quo), would cease in 2017. (Development Plan Application at B-74, attached hereto as “Attachment B”.)² The DEIR for the Venoco Ellwood Full Field Development Project, dated June 2008, cited Venoco as estimating that “the new drilling associated with the proposed Project would occur within the estimated life of the existing facilities, which is provided by the Applicant as up to the year 2040.”³ These estimates are significantly less than the new estimate, which equates to ongoing production from Platform Holly until 2054. An explanation for these drastically different estimates must be provided.

EDC-2

1.2 PROJECT OBJECTIVE

The original DEIR for this project stated that Venoco’s objective for the project was “to return oil and gas lease PRC 421 to full oil production.”⁴ This objective has been revised in the RDEIR to include both recommissioning PRC 421 *and* processing at the Ellwood Onshore Facility (EOF). (RDEIR at 1-4.) CEQA defines the project objective as identifying “the *underlying purpose* of the project” (CEQA Guidelines § 15124(b)), which in this case is (as stated in the original DEIR) the desire to resume development of PRC 421. Production, processing, and transportation are all components of the project, but not part of the project “objective” which relates to the “why” of the project, not the “how.” Accordingly, the reference to processing should be deleted.

EDC-3

² Even with extended field development, which is not the case here, the Application stated that Platform Holly would produce until 2030 – 2039, and that the Platform was designed to produce until 2040. (Application at B-73, attached hereto as “Attachment B”).

³ Draft Environmental Impact Report for the Venoco Ellwood Oil Development and Pipeline (Full Field Development) Project, State Clearinghouse No. 2006061146, CSLC EIR No. 738 (2008), p. 3-9, attached hereto as “Attachment C”.

⁴ Draft Environmental Impact Report for the PRC 421 Re-commissioning Project, State Clearinghouse No. 2005061013, CSLC EIR Number 732 (2007), p. 1-1.

September 24, 2014
EDC letter re RDEIR for Venoco PRC 421 Recommissioning Project
Page 3

3.0 CUMULATIVE IMPACTS

The list of relevant cumulative projects must include “closely related past, present and reasonably foreseeable probable future projects.” (CEQA Guidelines § 15355(b).) The list in the RDEIR fails to include operations from Platform Holly, which is a “present” project, or Venoco’s proposed South Ellwood Field Project. (See CSLC Calendar Item, August 15, 2014, C67, attached hereto as “Attachment D”.)

EDC-4

4.0 ENVIRONMENTAL IMPACT ANALYSIS

4.2 SAFETY

Vaqueros Reservoir Repressurization

We appreciate the CSLC’s request for further analysis and explanation regarding the alleged repressurization of the Vaqueros Reservoir. We remain concerned that the evidence in the RDEIR demonstrates repressurization both with and without production, and that there is no evidence provided since 2000. (RDEIR at 4-57 - 58, Figure 4.2-2.)

The RDEIR ascribes the cause of repressurization to aquifer influx (RDEIR at 4-58 – 4-59) and poorly abandoned oil wells (RDEIR at 4-61 – 4-64). There is no evidence that recommissioning PRC 421 will adequately address these problems. The RDEIR itself states that it is not feasible to fix or properly abandon the wells. (RDEIR at 4-64.) There is no information about whether it is feasible to reduce the natural aquifer influx. Finally, there is no evidence that repressurization won’t continue after PRC 421 production ceases, especially because Venoco is under no obligation to fix the repressurization problem and can cease production when it is no longer economically viable. Pressurization from the abandoned wells and aquifer influx may still continue.

EDC-5

4.4 AIR QUALITY AND GREENHOUSE GASES

EDC and our clients support the adoption of a zero emissions threshold for evaluating the significance of GHG emissions. (RDEIR at 4-131.) As noted in the RDEIR, mitigation of the impacts caused by the project’s GHG emissions is feasible, and in fact Venoco can mitigate all of the project impacts onsite:

[T]he emissions reductions that may be needed are not substantial and could be achieved with onsite operational efficiency improvements. For example, GHG reductions could be achieved by using high efficiency emulsion heaters to replace the existing heater treaters. Reductions of more than 200 MTCO₂e [more than the 167.4 MTCO₂e projected for the project] could be achieved depending on the heater design.

EDC-6

(RDEIR at 4-139.)

September 24, 2014
EDC letter re RDEIR for Venoco PRC 421 Recommissioning Project
Page 4

Despite this finding, the actual mitigation measure identified in the RDEIR is limited to the future preparation of a GHG emission reduction program which will be reviewed by CSLC staff. (RDEIR at 4-138, 139.) CEQA, however, 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 RDEIR generally identifies potential mitigation measures but then – despite the stated feasibility of mitigation – improperly defers formulation of specific mitigation measures, and removes the topic from the public purview. (RDEIR at 4-138 – 139.) The RDEIR 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 RDEIR thus violates the mitigation requirements of CEQA.

Notably, EDC raised this issue to the CSLC at the April 23, 2014, hearing, and the Commissioners responded by requesting this additional analysis and specificity in the RDEIR. (See transcript at pp. 54-56.)

5.0 ALTERNATIVES ANALYSIS

5.3.1 No Project Alternative

EDC-6
cont.

CEQA requires a discussion of the “No Project” alternative in an EIR. (CEQA Guidelines § 15126.6(e).) The purpose of the No Project alternative is “allow decision makers to compare the impacts of approving the proposed project with the impacts of not approving the project.” (*Id.*) The No Project analysis shall “discuss the existing conditions at the time the notice of preparation is published” as well as “what would be reasonably expected to occur in the foreseeable future if the project were not approved, based on current plans and consist with available infrastructure and community services.” (*Id.*)

EDC-7

The RDEIR omits the first half of the required analysis. The RDEIR does not discuss the existing conditions, but rather defines the No Project Alternative as resumed production and processing of oil from PRC 421. (RDEIR at 5-12.) This discussion may fit the second half of the required analysis, but does not address the full requirements of CEQA.

5.3.2 No Production / Quitclaim State Oil and Gas Lease PRC 421

It appears that the RDEIR intends this alternative to provide the other discussion of the No Project alternative required by CEQA Guidelines section 15126.6(e). However, by tying the No Production alternative to the quitclaim of the lease, the RDEIR fails to limit the focus to the comparison of physical impacts and conditions; instead, the RDEIR finds this alternative would require financial compensation to Venoco, thereby implying that this alternative would be infeasible. (RDEIR at 5-22.)

EDC-8

In addition, as explained above, the assumption that the consequence of no production would necessarily be an increase in pressurization is not substantiated by the evidence, and there is no evidence that repressurization won’t recur following cessation of production from the lease. (RDEIR at 5-23, 24.)

Finally, the RDEIR downplays the fact that this alternative would be consistent with the City of Goleta’s land use policies regarding PRC 421 and the EOF. (See, for example, Goleta General Plan/Coastal Land Use Plan Policies LU 9.2, 10.1, and 10.4. (RDEIR 5-25, 26.)

5.3.4 Processing PRC 421 Oil at Las Flores Canyon

We appreciate the addition of this alternative. Full consideration of this alternative is important because the City has not yet made a determination as to whether it is legally feasible for Venoco to process oil and gas from PRC 421 at the EOF, which is operating as a nonconforming use. Accordingly, the City itself requested this analysis in the EIR. (*See* letter from City of Goleta to CSLC, April 15, 2014.) Even if it is legally feasible (either through the existing land use and zoning requirements, or through a rezone approved by the City Council and voters), the City still needs to make a policy decision as to whether processing at the EOF is consistent with existing City policies regarding the EOF. (*See* City of Goleta General Plan/Coastal Land Use Plan Policy LU 9.2 (“(b) The intent is that in the long-term use of the property for oil and gas processing shall be terminated. The processing of hazardous materials and the risks associated with air emissions make this location, which is adjacent to Bacara Resort and Sandpiper Golf Course and near Ellwood School and the residential neighborhoods of Santa Barbara Shores and Winchester Commons, unsuitable for oil and gas processing in the long

EDC-9

September 24, 2014
EDC letter re RDEIR for Venoco PRC 421 Recommissioning Project
Page 6

term.”), and 10.1 (“The Venoco EOF site is an inappropriate location for processing of oil and gas because of the public safety and environmental hazards associated with this type of use and its close proximity to residential neighborhoods, Ellwood School, Bacara Resort, and environmentally sensitive habitat areas.”).⁵ If the City determines that it is not feasible or acceptable to process the oil and gas at the EOF, it is important to have another alternative to processing on the pier.

We have some important concerns regarding the analysis in the RDEIR. First, the RDEIR reflects a fundamental misunderstanding regarding the purpose and intent of the consolidation policy. The policy was intended to reduce the proliferation of processing *sites* along the County’s south coast. While shared use of facilities is optimum, the purpose of the policy was to also allow co-location of facilities at one of two designated consolidated sites as a means to reduce impacts to coastal resources and to protect public health and safety. The RDEIR implies that co-locating facilities at the designated consolidated site at Las Flores Canyon is less preferable than processing at the nonconforming EOF. (RDEIR at 5-59.) This statement is incorrect and does not accurately reflect the intention of the consolidation policy, which in fact prefers co-locating facilities at a consolidated site over processing at an existing nonconforming site. The RDEIR should be revised to correct this misstatement.

EDC-9
cont.

Second, the RDEIR should be revised to fully analyze the option of separating the gas prior to transporting product to Las Flores Canyon. Although the RDEIR identifies and even describes this option (RDEIR at 5-36), the report fails to analyze the impacts and feasibility of this option. Instead, the RDEIR limits its analysis to the impacts associated with transport of product in a three-phase state (oil/gas/water). (RDEIR at 5-29.) The RDEIR should be revised to include an analysis of the gas separation option, which would not only reduce potential impacts, but may also facilitate processing of the oil at the existing Las Flores Canyon facilities.

EDC-10

Third, the RDEIR assumes lack of capacity for oil dehydration at Las Flores Canyon but does not provide any evidence in support of this assumption. (RDEIR at 5-40.) The RDEIR does not identify the capacity of Las Flores Canyon facilities, nor does it describe how such capacity is expected to change over the life of the PRC 421 project. Given the limited volumes of oil and gas that would be produced from PRC 421 (see RDEIR at 2-21), it seems likely that it would be feasible to accommodate this production within the capacity of the existing Las Flores Canyon facilities. The RDEIR must be revised to include this analysis.

EDC-11

Finally, the RDEIR fails to explain the purpose and scope of the consolidation requirements that apply to the Las Flores Canyon site. This site was approved as a consolidated processing site on the condition that it is made available to other producers. (See ExxonMobil Santa Ynez Unit Expansion Project Development Plan (87-DP-32cz) Condition VII Consolidation, attached hereto as “Attachment F”.) The consolidation condition prefers shared use of facilities, but also provides for shared site development or a reduction of Santa Ynez throughout to allow use of the same facilities. The RDEIR should be revised to analyze the potential sharing of the existing Las Flores Canyon facilities, either by separating the gas prior to

EDC-12

⁵ See attached full text of Policies LU 9.2 and 10.1 (“Attachment E”).

September 24, 2014
EDC letter re RDEIR for Venoco PRC 421 Recommissioning Project
Page 7

transport or by requiring ExxonMobil to share use of the facilities in compliance with the Santa Ynez Unit project condition.

EDC-12
cont.

6.4 COMPARISON OF PROPOSED PROJECT AND ALTERNATIVES AND ENVIRONMENTALLY SUPERIOR ALTERNATIVE

6.4.3 No Production/Quitclaim State Oil and Gas Lease PRC 421 Alternative

The RDEIR assumes that the proposed project is necessary to address and reduce repressurization, and that no other mechanism is available to deal with issue, and thus finds the No Production alternative to be environmentally less preferable. (RDEIR at 6-6, 6-7.) However, as discussed above, the evidence shows repressurization with or without extraction, and there is no clear demonstration that allowing the proposed project will resolve this concern.

EDC-13

6.4.5 Processing PRC 421 Oil at Las Flores Canyon

The RDEIR finds that this alternative would result in greater impacts than the proposed project, in part because the report assumes the three-phase state of oil/gas/water in the pipeline (as opposed to the option of separating out the gas prior to pipeline transportation) and need for a new oil dehydration plant at Las Flores Canyon, and in part because the report understates the importance of complying with the oil and gas processing consolidation policy. The RDEIR also fails to acknowledge the other, practical benefits of processing at Las Flores Canyon and the reduced impacts that would occur due to the site's location away from populated areas and sensitive coastal habitats.

EDC-14

Conclusion

EDC and our clients appreciate the recirculation of the DEIR for the Venoco PRC 421 Recommissioning Project. As discussed above, we continue to seek further clarification regarding the project's effect on repressurization. We also believe that further analysis of the Las Flores Canyon processing alternative is critical given the City of Goleta's policies and concerns regarding processing at the EOF. Finally, the EIR should include specific, enforceable mitigation measures to mitigate the project's greenhouse gas emissions.

Thank you for this opportunity to comment on the RDEIR for this project.

Sincerely,



Linda Krop,
Chief Counsel

Attachments:

- A - Excerpt from transcript of CSLC April 23, 2014 hearing

Responses to Comments

September 24, 2014
EDC letter re RDEIR for Venoco PRC 421 Recommissioning Project
Page 8

- B - Excerpt from Venoco's Development Plan Application for "Extended Field Development from Platform Holly," 2001
- C - Excerpt from Draft Environmental Impact Report for the Venoco Ellwood Oil Development and Pipeline (Full Field Development) Project, State Clearinghouse No. 2006061146, CSLC EIR No. 738, 2008
- D - CSLC Calendar Item, August 15, 2014
- E - City of Goleta General Plan/Coastal Land Use Plan, Land Use Element Policies 9.2, 10.1
- F - ExxonMobil Santa Ynez Unit Expansion Project Development Plan (87-DP-32cz) Condition VII Consolidation

CC:

City of Goleta
California Coastal Commission
County of Santa Barbara
Get Oil Out!
Sierra Club, Los Padres Chapter
Citizens Planning Association
Citizens of Goleta Valley

ATTACHMENT A

Excerpt from transcript of CSLC April 23, 2014 hearing

MEETING
STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY
LANDS COMMISSION

RADISSON HOTEL LOS ANGELES AIRPORT
CENTURY MEETING ROOM
6225 WEST CENTURY BOULEVARD
LOS ANGELES, CALIFORNIA

WEDNESDAY, APRIL 23, 2014
1:01 P.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

J&K COURT REPORTING, LLC 916.476.3171

ACTING CHAIRPERSON GORDON: Thank you. Mr. Greig, I would note your resemblance to Rasputin, to goatee.

(Laughter.)

ACTING CHAIRPERSON GORDON: All right. What is before us today is certification of the EIR. With the city's opposition and request for an analysis of the Las Flores option, in addition to EDC and the Channelkeeper, the Controller's office is not ready to certify the EIR today. What we would prefer is that Las Flores be analyzed in addition to the nonconforming status issue having to do with EOF, which hopefully, if this were recirculated, could be done before the end of 2014, a legitimate time frame we hope. That would be our recommendation.

I need to hear from my two colleagues on the Commission.

ACTING COMMISSIONER ORTEGA: I think based on the testimony today, Department of Finance would be fine with that as well.

ACTING COMMISSIONER SCHMIDT: I would just add that maybe we address pressurization, because that's come up a few times. And maybe staff wants to talk about that now, just so we can clarify.

EXECUTIVE OFFICER LUCCHESI: If it's the

very easy to do.

And then with respect to the biological -- other biological resources, we were concerned about the potential use dispersants in oil spill response and impacts to wetlands. I think those were our only other remaining issues, and I think that they could be addressed fairly comprehensively and easily.

ACTING CHAIRPERSON GORDON: Okay. Mr. Greig, do you have any response to that? I'm just trying to be sure that staff has their arms around the issues that we are dealing with right here.

MR. GREIG: Thank you, Mr. Commissioner. No, not really other than to say that if it's the Commissioner's desire -- Commission's desire to send the EIR back for additional review that Venoco would support that. We understand it's in our best interests to have a document that's -- that is adequate and addresses the issues.

ACTING CHAIRPERSON GORDON: Thank you, sir.

All right. Ms. Lucchesi, then let me sum up. So we're going not going to certify the today. We've all agreed on that. We are going to go back and look at the Las Flores Canyon processing issue. We are going to look at the pressurization issue. I think you guys have covered it fairly comprehensively, but take a second look at it and make sure you've covered the issues that were

ATTACHMENT B

Excerpt from Venoco's Development Plan Application for "Extended Field Development from Platform Holly," 2001

56

1 raised today.
 2 The same thing with the preexisting use
 3 conditions with regard to EOF, and the GH -- the
 4 greenhouse gas mitigation issues.
 5 If we can do that, and hopefully bring it back
 6 before the -- the EIR before the Commission after being
 7 recirculated, before the end of -- before the end of 2014,
 8 that would be wonderful, fully understanding that
 9 sometimes these things are not doable, that there are
 10 additional variables that will come up that will postpone
 11 it. But that is, I believe, the wish of the Commission,
 12 today.
 13 Other of my colleagues have any comments?
 14 With that, I would like to thank everybody who
 15 came here with regard to Item 99, the PRC lease. Thank
 16 you it's been very informative.
 17 ACTING COMMISSIONER ORTEGA: Item 91.
 18 ACTING CHAIRPERSON GORDON: What?
 19 ACTING COMMISSIONER ORTEGA: Ninety-one.
 20 ACTING CHAIRPERSON GORDON: Oh, 91. I'm sorry.
 21 That's it. Item 91. I'm having problems with numbers
 22 today for some reason. Thank you, everybody. We are now
 23 going to move on to Items 79 and 80 having to do with
 24 Redondo Beach.
 25 Staff presentation, please.

J&K COURT REPORTING, LLC 916.476.3171

- Production profiles anticipated for the South Ellwood Extended Field Development and the "No Project" cases are provided in Tables G-7, G-8 and G-9 of Appendix G;
- Capital Costs for this alternative are included in Table G-10 of Appendix G; and
- Life-of-project estimated OPEX profiles are included in Table G-11 of Appendix G.

Venoco considers the economics of Alternative 2, based upon investments, revenues, operating expenses and commodity prices, relative to the "No-Project" alternative.

Alternative 3 – Current Operations Continue (The No Project Alternative)

Under Alternative 3, current operations would continue as detailed in Appendix A and expanded development of the South Ellwood field would not occur. This alternative is viable, but would not generate the perceived benefits of removing the EOF plant and EMT. The visual discontinuity presented by the plant in the setting of the Bacara Resort and Spa and the Sandpiper Golf Course would remain. Public concerns regarding potential safety and odors at the existing EOF would remain.

Importantly, there have been observed reductions in natural oil and gas seeps from the seabed above the South Ellwood field, which have been attributed to the reduction in reservoir pressure due to depletion of the Monterey Reservoir. It is anticipated that the granting of a lease extension to enable the depletion of portions of the Monterey Formation in the South Ellwood field, which have yet to be tapped by wellbores, will further abate the natural seeps in the La Goleita seep area. Refer to Appendix H for the presentation of existing technical studies of seeps in the South Ellwood area. This further abatement of natural seeps that are sourced in portions of the reservoir as yet untapped will not occur for Alternative 3, the "No Project" alternative.

B.1.3 Project Alternatives Production Comparison

In addition to the evaluation of alternatives considered by Venoco to meet the objective of expanded development of the oil reserves accessible from Platform Holly, Venoco developed a production life comparison for these alternatives. The production life comparison presented in Table B-2 was developed through the extrapolation of projected reservoir production data. Table B-2 shows the expected abandonment year for each alternative component, based upon production rate simulations and current pricing of oil and gas. In all cases, Platform Holly is designed to produce through 2040. The economic limit for production operations will be dependent on commodity prices and actual reservoir performance. Currently predicted sunset dates based on currently projected oil prices and production profiles for various options are discussed in Appendix G, Confidential Materials.

Development Plan Application for Extended Field Development from Platform Holly

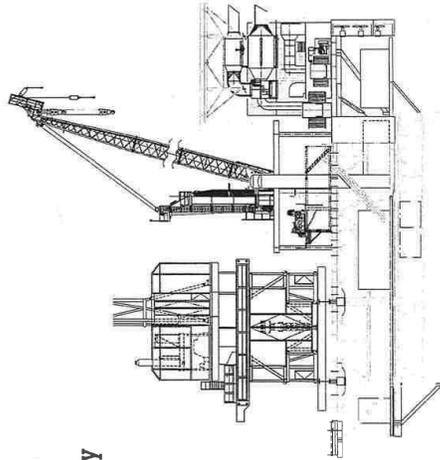
Submitted to:

California State Lands Commission

**County of Santa Barbara
Planning & Development Department
Energy Division**

and the

**County of Ventura
Resource Management Agency
Planning Division**



December 2001

ATTACHMENT C

Excerpt from Draft Environmental Impact Report for the Venoco Ellwood Oil Development and Pipeline (Full Field Development) Project, State Clearinghouse No. 2006061146, CSLC EIR No. 738 (2008)

APPENDIX B
PROPOSED PROJECT - EXPANDED DEVELOPMENT FROM PLATFORM HOLLY

B.2 LEASE BOUNDARY EXTENSION

Pursuant to Section 6872.5 of the Public Resources Code, Venoco proposes to extend the boundaries of its existing oil and gas leases to encompass the eastward section of the South Ellwood field as shown on Drawing 2171-A-515. The proposed project meets the conditions detailed in PRC 6872.5 that allow for the State Lands Commission to make these adjustments. Specifically these are:

1. The lease boundary adjustment will effectuate a more efficient utilization of State resources.
2. The proposed project will not increase the number of platforms.
3. The proposed project will not require the construction or major modification of a refinery.
4. The proposed project is the environmentally least damaging feasible alternative for the extraction and production of the affected resources.
5. The proposed project will continue to support a reduction in the source of natural seep emissions.

In addition, the adjustment of the lease boundaries pursuant to PRC 6872.5 will result in 20 percent of the additional revenues paid to the State to be paid to the County of Santa Barbara as allowed in Section 6817 of the Public Resources Code. Based on the State Lands Commission estimate of recoverable reserves, the County's 20% share of revenues would be equivalent to revenues from 2 million barrels of oil.

**TABLE B-2
PRODUCTION LIFE COMPARISON (ABANDONMENT YEAR)**

Facility	Preferred Project	Production Scenario		
		Alternative 1	Alternative 2	Alternative 3
Platform Holly *	2039	~2030	2032	2038
EOF **	2005	~2030	2005	2005
EWT	2005	2005	2005	2005
ROSF	N/A	N/A	N/A	N/A

* Platform Holly design life will be to at least 2040. Actual abandonment dates will depend on reservoir performance and commodity prices at the time.

** Note that stated 2005 life for EOF does not refer to the sales gas booster compression system, which will remain at the EOF site for the duration that Platform Holly is in operation.

3.3 ALTERNATIVES EVALUATED IN THE EIR

This section provides the descriptions of the alternatives evaluated in the EIR. A comparison of the production life under the various alternatives is provided in Table 3-2. In all cases, Platform Holly is designed to produce through 2040. The EMT would be abandoned and decommissioned in all cases except the No Project Alternative in which the facilities would be abandoned at the time of the offshore and onshore lease expirations.

**Table 3-2
Production Life Comparison (Abandonment Year)**

Facility	Proposed Project	Project Alternative			
		No Project	No EOF Modifications	Processing on Holly	LFC Processing: Offshore Gas and Onshore Oil Pipelines
Platform Holly*	2040	2040	2040	2040	2040
EOF	2040	2040	2010**	2010	2010
EMT/Line 96	2010	2013-16***	2010	2010	2010

* Platform Holly design life will be to at least 2040. Actual abandonment dates will depend on reservoir performance and commodity prices at the time.
 ** Some processes at the EOF under this alternative such as the sales gas booster compression system, crude oil storage and pumping, and electrical substation, would remain at the EOF site for the duration that Platform Holly is in operation.
 *** The offshore lease with SLC expires in 2013 and the onshore lease with UCSB expires in 2016. Alternate transportation options would be pursued at that time.
 Source: Venoco Application, February 2006.

3.3.1 No Project Alternative

Description

Under the No Project Alternative, production from Platform Holly and the EOF would continue under current operations; the lease boundary extensions beyond the existing oil and gas lease boundaries would not occur; drilling up to 40 new wells from Platform Holly would not occur; an onshore pipeline would not be constructed; the proposed modifications to the EOF and to Platform Holly would not be performed; and, decommissioning of the EMT would not occur in the near term. As the EMT offshore lease with CSLC expires in 2013 (should the currently proposed lease extensions be granted) and the onshore lease with UCSB expires in 2016, it is assumed that the EMT would be decommissioned as described in Section 2.0, Project Description, as a result

June 2008

3-9

Venoco Ellwood Full Field Development Project EIR

Draft
 for the
Environmental Impact Report
Venoco Ellwood Oil Development and Pipeline (Full Field Development) Project

State Clearinghouse No. 2006061146

CSLC EIR No. 738

Lead Agency:
 California State Lands Commission

Prepared by:
 California State Lands Commission
 Marine Research Specialists
 Science Applications International Corporation

June 2008

ATTACHMENT D

CSLC Calendar Item, August 15, 2014

CALENDAR ITEM
C67

- A Statewide
08/15/14
Bid Log 2014-06
PRC 3242.1
W 30119.2
RA# 24513
A. Abeleda
E. Gillies
- S Statewide

CONSIDER GRANTING AUTHORITY TO THE EXECUTIVE OFFICER TO SOLICIT STATEMENTS OF INTEREST FOR CONSULTANT SERVICES, NEGOTIATE FAIR AND REASONABLE PRICE, AWARD AND EXECUTE AGREEMENTS FOR PREPARATION OF ENVIRONMENTAL DOCUMENTATION AND MITIGATION MONITORING FOR THE PROPOSED SOUTH ELLWOOD FIELD PROJECT BY VENOCO, INC. OFFSHORE OF GOLETA, SANTA BARBARA COUNTY

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

BACKGROUND:

Venoco, Inc. (Venoco or Applicant) has requested that the California State Lands Commission (CSLC) adjust the eastern boundary of offshore Oil and Gas Lease PRC 3242.1 and has applied to the CSLC to implement the South Ellwood Field Project (Project) in Santa Barbara County. Currently the boundaries of PRC 3242.1 do not encompass all of the South Ellwood Field, specifically the eastern portion of the field. Adjusting the eastern boundary of PRC 3242.1 would increase the lease area by approximately 5,327 acres to a total of 9,648 acres.

PROPOSED PROJECT:

If the CSLC chooses to adjust the eastern lease boundary of PRC 3242.1, Venoco proposes to redrill up to 6 existing wells into the adjusted lease area for oil production. Venoco does not expect the proposed additional oil production to extend the life of Platform Holly.

PROPOSED ACTIVITY:

Based on the information that Venoco has provided, in consultation with the other California responsible and/or trustee agencies for the whole project, and in accordance with Public Resources Code section 21067 and the California Code of Regulations, Title 14, section 15051, the Commission has determined that it has the principal responsibility for carrying out or approving the Project, which may have a significant

CALENDAR ITEM NO. **C67** (CONT'D)

effect upon the environment, and is therefore the lead agency under the California Environmental Quality Act (CEQA).

Consideration of this proposed Project will require environmental documentation, and possibly monitoring, in accordance with CEQA. The Executive Officer requests delegation of authority to engage a consultant for this purpose. Consultant selection shall be conducted in accordance with the procedures as specified in Commission Regulations and in the State Contract Manual, on the basis of demonstrated competence and qualifications for the types of services to be performed, and at a fair and reasonable price. All costs shall be recovered from the Project applicant.

The environmental documentation will address potential impacts to sensitive habitat of state- and federally listed species, cultural resources, and potential impacts from other proposed Project activities. For sensitive areas which cannot be avoided, the environmental documentation will provide measures to reduce impacts as much as possible. The Commission staff may recommend that a monitoring plan with appropriate guidelines be adopted to ensure that any proposed mitigation measures be accomplished.

OTHER PERTINENT INFORMATION:

1. The staff recommends that the Commission find that the subject proposal solicitation does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with CEQA.

 Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.
2. Approval of this item by the Commission does not constitute approval of the proposed Project; it only authorizes consultant contracts for environmental review.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code section 6106 (Delegation to execute written instruments)
- B. State Contracts Manual section 11.00 A & E method (rev. 10/05)
- C. Public Contract Code section 6106
- D. Government Code section 4526
- E. California Administrative Code, Title 2, Article 13 sections 2980.0 - 2990.0
- F. Government Code section 19130
- G. California Administrative Code, Title 14, section 15045

CALENDAR ITEM NO. **C67** (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. Find that the subject proposal solicitation is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.
2. Find that the services are of limited duration and are of such urgent, temporary and occasional nature that the delay in their implementation under civil service would frustrate their very purpose as specified in Government Code section 19139, subdivision (b)(10).
3. Find that the selection of consultants under this process does not affect small businesses as defined in Government Code section 11342.610, because they will be accorded equal opportunity to submit statements of qualifications and performance data.
4. Find that the selection of consultants under this process for professional services of architectural, landscape architectural, engineering, environmental, land surveying or construction project management services will be consistent with procedures and policies adopted by the Commission as specified in Government Code section 4526 and California Code of Regulations, Title 2, sections 2980 - 2980.9.
5. Authorize the Executive Officer or her designee to solicit proposals, negotiate a fair and reasonable price, award and execute contracts for environmental documentation and mitigation monitoring in accordance with State policies and procedures.
6. Authorize the Executive Officer or her designee to enter into an agreement with Project applicant to recover costs incurred in the consideration of this Project.

ATTACHMENT E

City of Goleta General Plan/Coastal Land Use Plan, Land Use Element Policies
9.2, 10.1

- d. Transient lodging units such as hotels that are operated as hotel condominiums, time-shares, or under a fractional ownership model shall be a permitted use regulated by mechanisms such as owner-occupancy limits, to ensure that these accommodations are available to the general public.
- e. Approval of any proposal for transient lodging units such as hotels that are operated as hotel condominiums, time-shares, or under a fractional ownership model shall limit occupancy by owners of individual units to 30 or fewer consecutive days for any single stay and no more than 90 total days in any calendar year. All transient lodging units in above-mentioned forms of ownership shall be made available for transient occupancy use by the general public through the hotel reservation system at times when units are not occupied.
- f. Any expansion or alteration of existing development shall be required to maintain or expand the extent of existing coastal access facilities, including parking and vertical access to the beach. "Maintain or expand" is clarified to include flexibility, if at least one of the following is met:
 1. To provide better protection of coastal resources;
 2. To maximize public access; and/or
 3. If natural processes impede existing access.
- g. Any expansion or alteration of existing development shall be required to protect environmentally sensitive habitats and archaeological resources, including provision of the buffers set forth in the Conservation Element. *(Amended by Reso. 08-30, 6/1/08)*

LU 9.2

Site #2 – Coastal Recreation. [GP/CPI] This parcel, occupied as of 2005 by the Venoco EOF, is designated in the Open Space/Active Recreation use category. The requirements applicable to this site are as follows (see Figure 2-2):

- a. The Recreation designation shall continue the nonconforming status of the existing use. The use was nonconforming at the time of incorporation of the City of Goleta. Its nonconforming status dates to the early 1990s when the property's zoning was changed by the County of Santa Barbara to the Recreation District as part of a plan to consolidate onshore oil and gas processing at the Las Flores Canyon site in the unincorporated area west of Goleta.
- b. The intent is that in the long-term use of the property for oil and gas processing shall be terminated. The processing of hazardous materials and the risks associated with air emissions make this location, which is adjacent to Bacara Resort and Sandpiper Golf Course and near Ellwood School and the residential neighborhoods of Santa Barbara Shores and Winchester Commons, unsuitable for oil and gas processing in the long term.
- c. Until such time as the oil and gas processing use is terminated, any modifications or alternations of the existing facilities shall be in accordance with the provisions of LU 10.1 and shall be designed to improve air quality, reduce environmental impacts and hazards, and improve safety for nearby lodging, recreational, and residential uses.
- d. Upon termination of the oil and gas processing use, the priority use for the site shall be coastal-dependent and coastal-related recreational uses that are conducted primarily outdoors or limited to small-scale structures. Adequate on-site parking shall be provided to serve all recreational uses (see related Policy OS 2).

229 acres, is owned by the City. These lands are subject to deed restrictions that require the use of the property to be restricted in perpetuity to passive recreational activities and habitat protection. The criteria applicable to these parcels are as follows (see Figure 2-2):

- a. All future actions shall be consistent with the primary purposes of (1) preserving and enhancing the properties' sensitive habitats, including habitats for monarch butterflies, various raptors, and western snowy plovers, as well as vernal pools, riparian areas, native grasslands, coastal scrub, and other sensitive aquatic and terrestrial habitats and (2) preserving or improving the past level of access and use by the public.
- b. Any development of structures shall be limited to a public restroom facility to be located at the public parking lot at Hollister Avenue.
- c. An extensive coastal access trail system shall be maintained, as shown in Figure 3-2 of the Open Space Element. The trails shall include segments of the California Coastal Trail and the Juan Bautista de Anza Historic Trail.
- d. Any trail improvements shall be designed to maintain the natural, low-impact appearance of the existing informal trails; surfacing materials shall be limited to compacted fines or native soil materials without binders. The widths of trails shall be the minimum necessary to accommodate the planned types of users.
- e. A public coastal access parking lot, not to exceed 45 parking spaces, shall be maintained at Santa Barbara Shores Park, with vehicular access from Hollister Avenue.
- f. Any ornamental landscaping shall be limited to native species that will maintain the natural appearance of the area and that will not impair or obstruct scenic views from Hollister Avenue to the coastal bluffs, Pacific Ocean, and Channel Islands and preserve views from within the property to the Santa Ynez Mountains.

(See related Policy OS 5 and Figures 3-3 and 3-4.)

Policy LU 10: Energy-Related On- and Off-Shore Uses [GP/CP]

Objective: To promote the discontinuation of onshore processing and transport facilities for oil and gas, the removal of unused or abandoned facilities, and the restoration of areas affected by existing or former oil and gas facilities within the city.

LU 10.1 Oil and Gas Processing Facilities (Venoco Ellwood Onshore Oil and Gas Processing Facility). [GP/CP] As of 2005, the city had one existing oil and gas processing facility situated within its boundaries, the Venoco-owned EOF, which is a nonconforming use. The EOF and other oil and gas processing facilities generate emissions of air pollutants, pose safety hazards to nearby areas, create visual impacts, and create risks to marine and land resources associated with spills, leaks, or pipeline ruptures. The following standards shall apply to oil and gas processing facilities:

- a. The City supports County policies regarding consolidation of oil and gas processing in the South Coast Consolidation Planning Area at Las Flores

Canyon in the unincorporated area west of Goleta. No new oil and gas processing facilities shall be permitted within Goleta.

- b. The Venoco EOF site is an inappropriate location for processing of oil and gas because of the public safety and environmental hazards associated with this type of use and its close proximity to residential neighborhoods, Ellwood School, Bacara Resort, and environmentally sensitive habitat areas. The site is designated in the Open Space/Active Recreation use category on the Land Use Plan map and shall continue to be a nonconforming use.



Venoco Ellwood Onshore Oil and Gas Processing Facility

- c. The EOF shall continue to be subject to the rights and limitations applicable to nonconforming uses under California law. No modifications or alterations of the facility or other actions shall be authorized that would result in the expansion of the permitted throughput capacity of the EOF. The existing maximum permitted capacity shall not be exceeded, except for very minor increases that may be incidental to actions designed to improve safety or reduce environmental impacts.
- d. Until the EOF use is terminated, the priority shall be to insure that the facility strictly meets or exceeds all applicable environmental and safety standards.

LU 10.2 Decommissioning of the Venoco Ellwood Onshore Oil and Gas Processing Facility. [GP/CP] The following requirements shall apply to the cessation of operations and decommissioning of the facility:

- a. Within 12 months of cessation of operations, the existing owner/operator shall submit an Abandonment Plan application for City review and approval. The Abandonment Plan shall include a detailed description of all decommissioning work and site restoration, including, but not limited to, remediation of soil and groundwater contamination if required by the City or County Fire Department. Removal of all oil and gas facilities and debris from the site shall be required, except where such removal would result in greater adverse impacts than abandonment in place. Disposition of all materials shall be at a properly licensed disposal site and in compliance with any applicable requirements. The estimated cost of the decommissioning work shall be deposited to an escrow account no later than the time the Abandonment Plan is submitted to the City.
- b. An Abandonment Plan shall also be required as part of any request for expansion of production levels for oil or gas. This Abandonment Plan shall be subject to a requirement for the owner/operator to provide a sinking fund or other financial instrument or surety that would pay for the full costs of decommissioning, including any required soil or groundwater remediation.

ATTACHMENT F

ExxonMobil Santa Ynez Unit Expansion Project Development Plan (87-DP-32cz)
Condition VII Consolidation

CONDITIONS OF APPROVAL

ExxonMobil Santa Ynez Unit
Expansion Project
87-DP-32cz

(Modified on July 25, 2001 with 87-DP-032cz (RV05) Synergy Project)
(Modified on February 19, 2003 with 87-DP-032cz (RV06) Offshore Power Cable Repair &
Enhancement Project)

Latest revision: 02/19/03
Printing date: 07/27/09

Las Flores/Corral Canyon property available to other developers for the construction of additional permitted oil and gas-related facilities. In the event that such necessary facilities are not permissible pursuant to the County's consolidation policies, ExxonMobil shall reduce its throughput on a pro-rata basis to accommodate such other developers.

The intent of this condition is to ensure the efficient and maximum use of oil and gas-related facilities in order to avoid the construction of redundant facilities.

VII-2. Terms for Shared Facility Use

Prior to approval of the Final Development Plan and at any time thereafter, as requested by the County, ExxonMobil shall submit to the Director of the Planning and Development Department terms, including financial terms, under which other producers in the area would be permitted to enter and use either the facilities or property in the canyons for oil and/or gas processing or storage facilities, or ancillary facilities including but not limited to electrical substations, power generating facilities, water treatment facilities, wastewater loading facilities, and NGL/LPG loading facilities. ExxonMobil shall submit the requested information to the Director of the Planning and Development Department within thirty (30) days of such request or by a date mutually agreed upon by ExxonMobil and the Director of the Planning and Development Department. If these terms are determined to be unacceptable to potential users of the facility and if agreement cannot be reached, the County shall reserve the right to impose additional conditions as described above to amend the permit. The intent of this condition is to ensure the efficient and maximum use of oil and gas transportation and processing facilities. *(Modified May 4, 1994; It-2 Review)*

VII-3. DELETED

VII-4. Oil Storage Capacity

Oil storage tanks, up to a maximum of 650,000 barrels, shall be permitted only in Corral Canyon on the proposed fill pad.

VIII. REMOVAL OF EXISTING FACILITIES

VIII-1.OS&T Discontinuance and Removal

ExxonMobil shall discontinue use of the OS&T within 30 days after the time that onshore oil facilities are fully operational and debugged. In any event, ExxonMobil shall remove the OS&T within one year of initial start-up of oil processing facilities. These time limits may be extended by the County upon a showing of good cause. The intent of this condition is to require the earliest practical removal of the OS&T.

VIII-2.OS&T SALM Removal

VI-4. NGL Unloading Station

In accordance with the approved NGL Unloading Station project description (87-DP-32AM03), ExxonMobil is permitted to import NGLs from the POPCO Las Flores Canyon Gas Plant to ExxonMobil's Stripping Gas Treating Plant (SGTP) via unloading facilities constructed at the LPG Storage Pad. This authorization shall be valid until September 15, 1997, after which time all truck unloading shall cease, except for: unloading NGLs from overweight ExxonMobil trucks; or unloading NGLs from ExxonMobil trucks carrying product, loaded at ExxonMobil's SYU facilities, that does not meet sales specification; or unloading NGLs from POPCO's facilities when it is infeasible to receive NGLs via a pipeline from POPCO because of upset conditions or facility turn-arounds. Any request to import NGLs or any other gas liquids from any source other than POPCO shall be reviewed by the Planning Commission as a revision to ExxonMobil's FDP. The volume of NGLs permitted to be imported by truck until September 15, 1997 is 438,000 barrels of NGLs per year (annual average). ExxonMobil shall report the volume of NGLs imported to the SGTP to the Planning and Development Department (P&D) annually through the Operations EQAP and at any time upon reasonable request from P&D. *(Added July 21, 1994; Amended July 16, 1996; Amended May 21, 1997.)*

VI-5. NGL Pipeline Connecting POPCO to ExxonMobil

By September 15, 1997, ExxonMobil shall construct and operate a pipeline, or use a pipeline constructed and operated by others, that connects POPCO's facilities to ExxonMobil's facilities for the purpose of shipping NGLs to ExxonMobil for blending in the crude oil shipped by ExxonMobil, and for incidental further processing necessary to accomplish blending. In no case shall ExxonMobil unload NGLs shipped via truck from POPCO's facilities to ExxonMobil after September 15, 1997, with exceptions noted in Condition VI-4. *(Added July 21, 1994; Amended July 16, 1996; Amended May 21, 1997.)*

VII. CONSOLIDATION

VII-1. Consolidation and Co-location

ExxonMobil shall make its facilities and property available for consolidation and co-location of oil and gas facilities on a non-discriminatory and equitable basis. County retains the right to verify that the use of the facilities and property is conforming with County policies regarding consolidation and to impose additional permit conditions where necessary to assure these policies are being fulfilled.

Consistent with the approved policy resolution regarding the consolidation of oil and gas processing facilities, in the event that the need for such facilities is demonstrated by other developers to the Planning Commission, ExxonMobil shall make available to such other developers any excess capacity of the SYU project facilities. In the event that sufficient excess capacity does not exist within the SYU project facilities to serve the needs of such other developers as demonstrated to the Planning Commission, ExxonMobil shall make its

Linda Krop, EDC

**Oral comments submitted at Public Meeting on Revised PRC 421
Recommissioning Project Recirculated Draft EIR, September 15, 2014 (Session 1).**

Thank you and good afternoon. My name is Linda Krop. I'm the chief counsel of the Environmental Defense Center appearing today on behalf of Get Oil Out, the Sierra Club, Citizens Planning Association and Citizens for Goleta Valley. First of all, I want to thank the State Lands Commission staff for holding a local hearing. And I would also like to thank the Commission itself for requiring some revisions and additional analysis in the Environmental Impact Report.

EDC-15

I am going to focus my comments on three issues. The first relates to the alternative of processing at LFC which is very important to our community because everyone acknowledges the significant impacts of processing on the pier, which is in the coastal zone. But we are also concerned about processing at the Elwood Onshore Facility, which was rezoned for recreational use 24 years ago. And we have grave concerns about expanding the use of that facility and maintaining its industrial use.

The additional discussion in the Environmental Impact Report identifies a couple options for use of the LFC but only analyzes one of them. And I will explain what I'm talking about. A lot of the impacts that were identified in the EIR relate to the fact that the product would be transported in a three-stage state, oil, gas and water. The EIR identifies and describes another option which would be separate the gas before transporting the project but doesn't analyze that. And we would like some additional information about that option because it may have two benefits. It may decrease the impacts associated with the pipeline transportation, and it may also reduce the concerns about capacity for processing at LFC. So we would like to see that option fleshed out more.

EDC-16

With respect to capacity at LFC, the EIR includes one sentence stating there is no capacity in the existing facilities and thus consistent with the consolidated status of the site. There would be a need to build a new oil dehydration facility and co-locate those facilities. Without facts regarding the capacity that exists at the existing facilities, we don't know if that's the only option. What we would like to see added to the EIR is information regarding the capacity levels at the existing facilities at the LFC processing site as well as projections over the life of the 421 project.

EDC-17

Finally, we have some advice for the presentation of the LFC alternative. The purpose of the County's consolidation policy, which is now partly embedded in the City's General Plan down here, is a focus on sites, more so than facilities. When the consolidation policy was adopted, there was an expectation that there might be a proliferation of these industrial facilities dotting the coast. So the County designated two consolidated sites with the

EDC-18

understanding that there may be co-located facilities within those sites. But the emphasis was on the sites rather than the facilities. There is some language in the EIR that seems to undermine that by indicating that it would be better to use an existing facility at Ellwood than to co-locate new facilities at the LFC site. And we think that is not consistent with the intent of the consolidation policy. It is better to co-locate the facilities at a designated consolidated site than to use an existing nonconforming facility.

The second issue I want to address is the repressurization issue. Again, we appreciate the additional information. It appears pretty clear now that there are a couple potential sources of repressurization, the poorly abandoned wells as well as aquifer influx. What we're still not clear on is how the production will affect those unrelated causes and specifically looking at some of the previous evidence of repressurization both with and without production, but also the concern that Venoco is not required to produce until there's no repressurization. And Venoco is not responsible for the aquifer influx or the poorly abandoned wells. And I think Steve will appreciate me saying that. Venoco will produce as long as the project is economically viable. And so we're concerned that the repressurization could continue regardless of whether or not this project goes forward or not.

EDC-19

The third and final issue I wanted to address is that of greenhouse gas emission mitigation. This was an issue that we commented to you on before the State Lands Commission in April. And the Commissioners did request more specificity regarding mitigation for the project greenhouse gas emissions. We believe it is abundantly feasible to do that because, according to the EIR, the project won't result in very high levels of greenhouse gas emissions. And the EIR indicates some ways in which those emissions could even be mitigated on site and offers some examples. The mitigation measure, however, is for Venoco to later submit a greenhouse gas emission reduction plan to the State Lands Commission staff. And there is plenty of case law out there saying that if it is feasible to include the specific mitigation measures in the EIR, that is preferable because then the lead agency or responsible agency has the responsibility to implement those measures as enforceable conditions on project approvals. In the *Communities for Better Environment versus City of Richmond* case it addresses this exact same issue where the EIR identified some specific measures to reduce greenhouse gas emissions but left it to Chevron to come up with a future plan. And the court said, no, it was feasible to come up with some specific measures, and that way they can be monitored and enforced as part of the monitoring and reporting program and as project conditions. That one seems like a pretty easy one to be able to address in the Final EIR.

EDC-20

Thank you very much.

RESPONSE TO COMMENT SET 7: EDC

- EDC-1 Comment acknowledged. The Recirculated Draft EIR and the Final EIR contain substantial discussion and analysis of the EOF, mitigation of the Project's GHG emissions, and substantial documentation of the repressurization issue. However, additional text has also been added to the Final EIR and more information is provided in these responses to comments, including the master responses (see master response MR-3). Please refer to responses to specific comments below.
- EDC-2 Please refer to MR-1 for discussion on the Project duration for the PRC 421 Recommissioning Project and Platform Holly.
- EDC-3 Pursuant to State CEQA Guidelines section 15124, subdivision (b), the EIR provides "a statement of objectives sought by the proposed project" as set forth by Venoco, the project Applicant. The objective also includes the "underlying purpose of the project" consistent with State CEQA Guidelines Section 15124, subdivision (b), as proposed by Venoco. This underlying purpose is also consistent with and required by the State's lease agreement with Venoco. Venoco's stated objective in implementing this Project is, "to return State Oil and Gas Lease PRC 421 to production and process the production at the EOF." Although processing oil at the EOF is a secondary objective of the Project, with the primary objective being production of PRC 421 oil, it is still part of Venoco's stated objective for this Project. However, this EIR analyzes alternatives that do not include processing oil at the EOF.
- EDC-4 The South Ellwood Field Project proposal has been incorporated into the list of cumulative projects, and relevant cumulative discussion. Please see Section 3.0, Cumulative Impacts Methodology, of the Final EIR. For the purposes of this EIR, operations at Platform Holly, which have been ongoing for decades, are considered part of the existing environmental baseline and discussed within relevant environmental impact analysis sections. Therefore, operations at Platform Holly are not considered under cumulative effects.
- EDC-5 The EIR clearly (1) acknowledges that repressurization is an ongoing natural phenomenon that will occur with or without the Project, (2) provides the best available known information about repressurization, the relative benefits of the Project in reducing repressurization, and the related potential risk of a future release of oil and the severity of such a release, and (3) recognizes that while the Project would only partially alleviate potential impacts associated with repressurization, it would provide the CSLC staff with the means to collect essential data needed for long-term planning to address this issue. Please refer to master response MR-3 for discussion on repressurization.
- EDC-6 Please refer to master response MR-5 for discussion on GHGs and relevant mitigation. Court case *Communities for a Better Environment v the City of Richmond* (2010) 184 Cal.App.4th 70 was reviewed in preparation of this Final

EIR. In the EIR for the Chevron Energy Renewal Project, GHG emission impacts are characterized as unknown and mitigation for GHG emissions proposed a generalized goal of complete reduction of GHG emissions with undefined and untested general goals. The Recirculated Draft EIR for the Project identifies Project-related GHG emission estimates using CalEEMod modeling data listed in the Technical Air Quality Report in Appendix D and provides mitigation requiring the formulation of a GHG emissions reduction program with participation in an accredited regulatory program or equivalent prior to approval of the Project, and annual mandatory GHG reporting. Achievement of mitigation for reduction of GHGs is not required to be an onsite measure, as onsite mitigation would be infeasible for many projects. Rather, the EIR sets forth feasible enforceable options for the Applicant to implement a program of GHG reductions to reduce emissions to zero. Consistent with State guidance on this matter, the CSLC, Santa Barbara County APCD, and the City of Goleta would retain full authority over approval of such a program. See also master response MR-5.

EDC-7 Environmental impact analysis for the No Project Alternative considers and discusses existing conditions, as well as reasonably foreseeable expectations in Section 5.3.1, No Project Alternative. Under this alternative, processing at the EOF would not occur and Venoco would resume production processing on the PRC 421 piers as stipulated in its existing oil and gas lease. Existing conditions at the time the NOP was prepared include Venoco's possession of a valid lease from the CSLC and Venoco's obligation to resume production under the conditions similar to those in existence in 1994, (i.e., processing on the piers). Although the wells were shut-in at the time of the NOP, Venoco's resumption of production includes the installation of modern production and safety technologies to comply with current industrial and environmental standards. A comparison of the No Project Alternative and the proposed Project is provided in the EIR for the decision makers' consideration.

EDC-8 The No Production/Quitclaim State Oil and Gas Lease PRC 421 Alternative would only be reasonably achievable with the quitclaim of Venoco's Lease PRC 421 by the CSLC, as Venoco has a contractual right to produce oil from the lease premises. The EIR does not disclose nor imply that this alternative is infeasible; rather, it discloses that there would be an economic cost to the State to compensate Venoco's interest taken. Although the EIR discloses this issue to provide decision-makers with information regarding the matter of the contractual obligations, the EIR fully describes the potential impacts of implementing this Alternative and provides a comparison of impacts from this alternative with the proposed Project and other alternatives. While the No Production/Quitclaim State Oil and Gas Lease PRC 421 Alternative would potentially be more consistent with the City of Goleta General Plan and Santa Barbara County Coastal Land Use Plan, the purpose of an EIR as defined by State CEQA Guidelines section 21061 is to identify physical effects to the environment. This alternative may result in more adverse impacts to the

physical environment due to repressurization. Please refer to MR-3 for discussion on repressurization.

- EDC-9 The EIR fully discusses land use and policy issues associated with use of the EOF, as well as air quality and hazard issues associated with the proposed Project. PRC 421 and the EOF are located between 2,000 to 4,000 feet from adjacent habitable structures (e.g., Bacara Resort and Spa); both PRC 421 and the EOF are subject to rigorous regulation and inspection, and the EOF has been substantially upgraded over the last 10 to 15 years. In terms of the consolidation policies, the EIR provides an objective analysis of the relative environmental impacts of implementing the proposed Project and the Processing PRC 421 Oil at LFC Alternative. The EIR clearly sets forth the intent of the 1987 Consolidation Policies and then describes the environmental consequences of pursuing those policies for this Project. The EIR fully comports with the requirements of State CEQA Guidelines section 15126.6 to describe a reasonable range of alternatives to the proposed Project, such as processing at LFC. The EIR describes this Alternative at a relatively high level of detail and sets forth probable impacts in order to permit comparison to the proposed Project. Please refer to MR-4 for additional discussion of the LFC Alternative.
- EDC-10 Separating gas prior to transporting to LFC is described on page 5-35 of the EIR and is a consequence of this alternative if the new pipeline to LFC cannot operate with the three-phase state, known as “tightlining.” If tightlining is not possible, then, as the EIR describes, additional infrastructure would be required on the piers for gas separation, including a 1,000 to 1,500-barrel breakout tank, and installation of a flare and oil shipping pump. Separating gas at the piers is essentially processing production on the piers in a configuration that would have much greater impacts than the No Project Alternative that provides a less environmentally damaging means to process (i.e., separating gas) on the piers. The purpose of the Processing PRC 421 Oil at LFC Alternative is to remove the processing of oil (including the separating of gas) at the pier or near the shore zone and the associated impacts of such activities within the surf zone.
- EDC-11 This Alternative is based on the best available information available regarding the LFC facilities obtained by Venoco in consultation with the LFC facility operator, ExxonMobil. Please refer to master response MR-4 for discussion.
- EDC-12 The purpose of an EIR is to identify significant effects or changes to the physical environment as a result of a project, to identify reasonable alternatives, and to identify ways to mitigate or avoid significant environmental effects. The EIR sets forth the Processing PRC 421 Oil at LFC Alternative as a reasonable alternative to the proposed Project that includes processing at LFC, describes this alternative at a relatively high level of detail, and addresses potential environmental impacts. The EIR also discloses and describes the consolidation policies. However, for the purposes of an

alternatives analysis under CEQA, an EIR is not required to delve deeply into the purpose and scope of the consolidation requirements that apply to LFC in order to identify effects on the physical environment.

- EDC-13 The key project objective is to return PRC 421 to production, not to address repressurization, which would be a secondary benefit of restoring production, although this benefit could be short- to mid-term. The alternatives analysis is appropriately focused on those alternatives capable of partially or wholly meeting project objectives, as is appropriate under CEQA. Under the No Production/ Quitclaim of State Oil and Gas Lease PRC 421 Alternative, Venoco would not be required to pressure test; absent some form of production, pressure testing would not be feasible. Please refer to comment CG-2 regarding the project objective and MR-3 regarding repressurization.
- EDC-14 Comment acknowledged. The EIR thoroughly describes impacts of the proposed Project, as well as those of the LFC Alternative. Refer to MR-4 for further discussion of the LFC Alternative.
- EDC-15 Please refer to Master Comments MR-3 through MR-5, and to response to comments EDC-16 through EDC-20.
- EDC-16 Please see response to comment EDC-10.
- EDC-17 Please refer to MR-4 for discussion related to the LFC alternative and available processing capacity at existing facilities.
- EDC-18 Please refer to response EDC-9 for discussion regarding analysis of the consolidated facility and to MR-4 for discussion related to the LFC alternative.
- EDC-19 The existence of poorly abandoned wells is not a source of repressurization. Please refer to MR-3 for discussion related to repressurization.
- EDC-20 Please refer to MR-5 for discussion related to GHGs and related mitigation.

COMMENT SET 8: GET OIL OUT! (GOO) – CARLA FRISK***Oral comments submitted at Public Meeting on Revised PRC 421 Recommisioning Project Recirculated Draft EIR, September 15, 2014 (Session 2).***

First of all, I want to thank you guys for sending me a hard copy for Get Oil Out. It was helpful. I read parts of it and am working on it. That was one of my comments at the other hearing, and I just want to say I appreciate that. We also want to thank you guys for once again coming down to have this workshop in Goleta so people can have an opportunity to come. I understand there were other people here earlier. So, I apologize in advance if I am going to repeat things that they said. That's the way it is. Anyway, there are really two key items that I want to address tonight. And like I said, I know others testified. Linda Krop, who is our EDC who is our legal counsel on this, testified. And I am guessing I will repeat some of the things she and others said.

GOO-1

I think there are really the two critical issues that need to go delved into just a little more. I think the State Land Commissions staff and the consultants did a great job expanding the information that was really needed for the public to understand some of these more technical issues, particularly, repressurization of the Vaqueros Formation. I don't think we really had any kind of inkling about what was happening and why it was happening before. And now I think we have a much better idea. Thank you for that. However, there are still some missing pieces to that puzzle that we would like to see in the Final EIR. So with regards to the information on the aquifer influx, the report focuses on the hows and whys but it really doesn't discuss the bigger picture. In other words, if the project is approved, what happens when it's abandoned? We have this situation where we have these old abandoned wells, and that's the concern because you've got this expectation that the formation will continue to repressurize as long as there is water, I guess. That's what it sounds like to me. The question is can you get 100 percent of the oil out, and probably the answer to that no. On page 4-58 it states this project is the environmentally superior option because of the risk of significant oil spills and leaks in the absence of this project. That's not really the question we should be asking. The question we should be asking is how can we get -- deal with this bigger issue. Because this is really just a Band-Aid. This is just a Band-Aid for a problem that was caused by the drilling of oil and gas in these old abandoned facilities that were shown earlier on the slide. So, the way I understand it, if I read the EIR right, through this aquifer influx, nature is trying to basically regain its balance, its original situation at roughly 1525 psi. So it seems that the process can never cease as long as there are these nearby poorly abandoned wells, that nature will continue to try to use its influx to bring that up, that balance it had before. And we will continually be threatened by these wells being not abandoned in a way we would like to have them abandoned today. The EIR needs to really take that next step, the Final EIR, and determine are there other ways to relieve this

GOO-2

repressurization. In other words, could we take water out? And how much would that be and how would you do that? If we could, if there are other ways to deal with this issue, then I think this project would be looked at in a different light.

Secondly, what would be the most likely scenario regarding repressurization if the project goes forward once it's completed? In other words, is it -- it is unlikely that 100 percent of the oil would be recovered. So if there are no other alternatives to address repressurization problems, is it going to be -- do we really have to go back and re-abandon those wells? What are our options for the long term? That's really not included in the EIR. I know it is not specifically related to this project but in a way it is. It is really part of the big picture. Without this information how can the State Lands Commission properly analyze the impact of this project in view of that and adequately determine what mitigation measures will be needed to address this issue in the long term. Merely monitoring repressurization status is hardly adequate. Venoco stands to make money, just like any oil company would, on this project. It needs to adequately address this situation and mitigate before the leases are abandoned and returned to the State. Otherwise, this problem will be left like many others have been in the past, with the citizens and the responsibility of the State, with the responsibility of the citizens to fix this problem with no financial resources.

**GOO-2
cont.**

The second point I want to make is that reprocessing at LFC, this alternative really has to be taken more seriously. If the city of Goleta -- the city of Goleta has not yet made a decision as to whether processing at the EOF is consistent with land use policies. If the City's decision is it is not, that leaves only one alternative which is on the piers. And what kind of option is that? I think everybody agrees that is like the worst possible option. Of course, there is the new full field application that has been submitted. What is the effect of that? We should be analyzing this project not in a vacuum. Every year the Ellwood Onshore Facility, which is already an aging facility, gets a year older, and every year it seems like the alternatives for production at Platform Holly - - excuse me. The lifetime, the estimates for the production of Platform Holly are extended.

GOO-3

The question is now we're out at 2054, I believe, from the EIR. Do we really want the EOF, a nonconforming use for all the reasons that staff indicated, to be in business in 2054. I would venture that is not what the County had in mind when they had rezoned the property to recreation. In fact, the goal was to discontinue the use of the EOF. And that doesn't necessarily coincide with the completion of Platform Holly.

GOO-4

So, the report mentions the possibility of removing the gas from the oil/gas/water mix and leave the water and oil together to send that to LFC, but it doesn't really analyze that scenario. It really just sticks with the three-

GOO-5

way mix. We would like to see that looked at a little more closely. The County's consolidation policies favor the use of consolidation sites over the continued use of a nonconforming use. I don't think that is clearly enough stated. Taking this oil to LFC provides a reasonable third option and complies with the City's -- or the County's land use policies, especially given the substantial risk represented by the pier alternative.

**GOO-5
cont.**

I think that's what needs to be looked at is those two alternatives. There's issues with both of them but I think the issues with the piers is much greater since we don't know what the City is going to -- what finding the City is going to make on that.

This project appears to be based on a lot of assumptions which may not be correct, i.e., one, that the processing at the EOF is legally feasible. The City hasn't weighed in on that.

GOO-6

Two, that the assumption that the EOF will be available for the lifetime of this project and Platform Holly. We don't know that.

GOO-7

Number three, the assumption that processing at the EOF, again a nonconforming use, is preferable to co-locating other facilities at LFC. In fact, discontinued use of the EOF in favor of LFC is the right long-term solution to this problem of where to take all the oil from the Elwood field. Shouldn't we be looking -- we shouldn't be looking at this issue in a vacuum.

GOO-8

Finally, our attorney when we submit our written comments and probably earlier today was covered some of the more technical issues related to this, particularly deficiencies in the document related to greenhouse gas emissions. And so I'm not going to go into that further but incorporate those concerns by reference. And they will be in the written comments that you get next week. I think that's it.

GOO-9

RESPONSE TO COMMENT SET 8: GOO – CARLA FRISK

GOO-1 Comment acknowledged.

GOO-2 For discussion on repressurization after well abandonment please refer to master response MR-3.

GOO-3 Discussion on the Processing PRC 421 Oil at LFC Alternative is detailed in master response MR-4. The South Ellwood Field Project proposal by Venoco has been incorporated into the list of cumulative projects, and relevant cumulative discussion. Please see Section 3.0, Cumulative Impacts Methodology, of the Final EIR.

GOO-4 While the City of Goleta encourages the processing of oil and gas production at LFC in its General Plan, it is not a requirement for projects that resume existing production, such as PRC 421. As stated in Section 2.2 of the EIR, the EOF would be decommissioned when the production life of Platform Holly ends, regardless of the status of Lease PRC 421. In the event that production from Lease PRC 421 has not ended by the time production ends on Platform Holly, the EOF must still be decommissioned and may not be used to process production from Lease PRC 421. Please see master response MR-1 for further discussion on the duration of the Project and production at Platform Holly.

GOO-5 As stated, under the Processing PRC 421 Oil at LFC Alternative, no processing of oil/gas/water emulsion would occur within the surf zone at Pier 421-2 (i.e., gas would not be separated from oil and water at the pier), consistent with City of Goleta policies, and the emulsion produced at PRC 421 would remain in a three-phase state (oil/gas/water) and be transported via pipeline to LFC for processing. Impacts associated with the separation of gas from the oil/gas/water emulsion at Pier 421-2 prior to the transportation of oil product are analyzed more closely in the No Project Alternative in Section 5.3.1. Under the No Project Alternative, if the Commission first determines that adequate corrective measures have been taken and operations may be resumed, Venoco's restart of production on the lease would include incorporating modern production and safety technologies to comply with current industrial and environmental standards. Venoco would install a new Gas-Liquid Cyclone Separator and a new Liquid-Liquid Cyclone Separator at Pier 421-2 to separate produced gas and water from oil. As noted in the EIR, separation of gas under the No Project Alternative would increase potential impacts compared to the proposed Project, in part because of the new oil separation equipment on Pier 421-2 (see Section 5.3.1), as well as increased activity required on Pier 421-2 and the potential for releases from separation equipment on the pier (see Section 6.4.2). The EIR identifies the proposed Project as environmentally superior to both the Processing PRC 421 Oil at LFC Alternative, which also has greater environmental impacts when compared to the proposed Project due to construction and operation of 9.7

miles of new pipeline from the EOF to the Receiving Station in LFC and construction and operation of up to 1.5 acres of new oil processing facilities at LFC, and the No Project Alternative. See also response to comment EDC-10.

- GOO-6 The EIR discusses the proposed Project's potential consistency with the City of Goleta General Plan regarding the use of the EOF and provides a range of alternatives that do not rely upon the EOF. As required by CEQA, this EIR analyzes the Project as proposed by the Applicant, including the proposed use of the EOF. The City of Goleta will need to determine if use of and minor improvements to the EOF are consistent with City policy and ordinances. The CSLC will consider the proposed Project and its alternatives along with input from the public and interested agencies.
- GOO-7 Comment acknowledged. Production from lease PRC 421 would be complete before the end of the production life of Platform Holly, which currently uses the EOF. See master response MR-1 for further discussion on Project duration and production at Platform Holly.
- GOO-8 Comment acknowledged. In comparison to the proposed Project, the Processing PRC 421 Oil at LFC Alternative would have substantially more adverse environmental impacts due to the construction and operation of 10.2 miles of new pipeline, more infrastructure on Pier 421-2, and new oil processing facilities at LFC (see Section 6.4.5).
- GOO-9 Comment acknowledged.

COMMENT SET 9: SANTA BARBARA CHANNELKEEPER (CK)



714 Bond Avenue
Santa Barbara, CA 93103

tel 805.563.3377
fax 805.687.5635

info@sbck.org
www.sbck.org

BOARD OF DIRECTORS

Tim Robinson
President
Julie Ringler
Vice President
Kalia Rork
Treasurer
Robert Warner
Secretary
Andy Heller
Sherry Madsen
Betty Noling
Jeff Phillips
Bruce Reitherman
Josh Simmons
Daniel Waldman
Mike Wondolowski

ADVISORY COUNCIL

Michael S. Brown
President
David Anderson
Michael Crooke
Dan Emmett
Rae Emmett
Ken Falstrom
Steven Gaines
Susan Jordan
Holly Sherwin
Jack Stapelmann
Paul Junger Witt



September 24, 2014

Eric Gillies, Assistant Chief
Division of Environmental Planning and Management
California State Lands Commission
100 Howe Ave, Suite 100-South
Sacramento, CA 95825

RE: Revised PRC 421 Recommissioning Recirculated Draft EIR Comments

Please accept the following comments on the Revised Draft Environmental Impact Report (DEIR) for the Venoco Inc. PRC 421 Recommissioning Project, which are hereby submitted by Santa Barbara Channelkeeper. Santa Barbara Channelkeeper is a local non-profit environmental organization dedicated to protecting and restoring the Santa Barbara Channel and its watersheds through science-based advocacy, education, field work and enforcement.

Channelkeeper is pleased to see that Venoco is working to consolidate their oil development resources and that some of our recommended mitigation measures were incorporated into the revised DEIR. However, Channelkeeper and our many members who reside and/or recreate in the project vicinity continue to have concerns about the potential environmental impacts associated with the proposed project.

After reviewing the revised DEIR, Channelkeeper continues to have the following concerns:

- The project would have significant, unavoidable impacts in an area that hosts several endangered and threatened species and is in immediate and close proximity to many Environmentally Sensitive Habitat Areas.
- The project relies on infrastructure that has a history of requiring continuous repairs to address leaks. Additionally, Venoco has a history of accidents and violations at their operations in the area and at the Ellwood site specifically. We therefore question Venoco's ability to ensure that oil and hazardous materials will not reach the marine and terrestrial environment.

Additionally, Channelkeeper has the following new concerns:

- Real Time Transient Monitoring (RTTM), compact separators, and other Best Available Technologies for pipeline leak detection should be analyzed as options for the proposed project and the Las Flores Canyon (LFC) alternative. The DEIR analyzes the projects based on volumetric detection technology but other technologies may improve leak detection and would reduce environmental impacts.
- The DEIR fails to evaluate Venoco's proposed South Ellwood Field project as a relevant cumulative project.¹ This project should be added to Figure 3-1 and Table 3-1 and all cumulative impact subsections of the Environmental Impact Analysis chapter should be reassessed.
- The impact analysis of the LFC alternative should be reframed to more accurately portray the intent of local policy objectives.

CK-1

¹CSLC meeting 8/15/14: Calendar item C67

http://archives.sl.c.ca.gov/Meeting_Summaries/2014_Documents/08-15-14/Items_and_Exhibits/C67.pdf

Endangered/Threatened Species and Sensitive Habitats

The DEIR indicates that the proposed project could have significant, unavoidable impacts to terrestrial and marine biological resources. Several endangered and threatened species, including the tidewater goby, steelhead trout, snowy plover, California Least tern, and Belding’s Savannah Sparrow, utilize the area immediately within and adjacent to the proposed project site. These species would be extremely vulnerable to any impacts during construction or if an oil spill occurred. There are also several Critical Habitat designations for endangered species within the project vicinity, including Bell Creek for tidewater goby, Tecolote Creek for steelhead trout, and the shoreline from Devereux Slough to Ellwood for snowy plover. Additionally, the project site is immediately adjacent and in close proximity to several Environmentally Sensitive Habitat Areas (ESHAs). Tecolote Creek and Lagoon, Bell Canyon Creek and Lagoon, the Devereux Slough, Naples Reef, and all marine areas offshore of Goleta within State waters have received this special designation to demonstrate and protect their ecological importance and vulnerability. Naples Reef and the waters surrounding Campus Point (whose western edge is less than one mile from the project site) have additional protection as State Marine Conservation Areas.

CK-2

Any impact to these areas and species could be significant because of their vulnerability. The DEIR indicates that an oil spill would have significant, unavoidable impacts on these marine and terrestrial resources. Additionally, while mitigation measures may reduce some impacts during construction, the DEIR acknowledges that “incidental disturbance by equipment, indirect construction effects, and impacts from accidental fuel or oil releases are possible” (page 4-218). The Goleta General Plan and Comprehensive Land Use Plan acknowledge the vulnerability of these habitats, mandating that “ESHAs shall be protected against significant disruption of habitat values, and only uses or development dependent on and compatible with maintaining such resources shall be allowed within ESHAs or their buffers” (page 4-253). It is clear that the proposed project would be in violation of this mandate as there may be significant impacts to these sensitive habitats. The California State Lands Commission (CSLC) must evaluate whether this project is worth the potential impacts to these sensitive resources.

Venoco’s History and Project Site History

Channelkeeper is wary of Venoco’s history of accidents and non-compliance in our region and at the project site specifically. The DEIR indicates that two of the four blowouts that have occurred from Pacific Outer Continental Shelf oil and gas projects since 1992 came from Platform Gail in 2000 and 2004, when the platform was owned by Venoco (page 4-85). In 2009, one barrel of oil spilled from Platform Holly, and in 2010, a leak from a pipe at Platform Gail released 63 gallons of oil.^{1,2} Additionally, it took over a decade, and significant from Channelkeeper and the Regional Water Quality Control Board, for Venoco to finally and adequately clean up areas of the Carpinteria Oil and Gas Processing Facility that were contaminated with DDT and other toxic chemicals.³ Recent problems include seven Notices of Violation issued by the Santa Barbara County Air Pollution Control District, including unauthorized venting of produced gas, exceeding allowable flare limits, failing to provide 24 hour notice prior to degassing, exceeding boat use limits, flare operational violations, failure to monitor engine emissions, and failure to perform required engine testing. Five of these problems occurred in the proposed project’s vicinity.⁴ The Ellwood Facility also failed to

CK-3

¹ <http://www.independent.com/news/2009/jun/25/platform-holly-spills-oil-santa-barbara-coast/>

² <http://www.vcstar.com/news/2010/oct/22/63-gallons-of-oil-spilled-off-platform-gail/>

³ Carpinteria Valley Association. 2010. Channelkeeper and Carpinteria: A Success Story. *CV Action*. 47(1): 3.

⁴ <http://www.sbcpd.org/apcd/boardfiles/03-13-novs-feb.pdf>

submit an annual report as required by the General Industrial Stormwater permit in 2009 and was found to be in violation of said permit by the Central Coast Region Water Quality Control Board.⁵

Venoco's history of accidents and non-compliance, combined with historical issues at the project site, could predispose this project to significant adverse impacts. The piers within PRC 421 have had a history of leaking, degrading and requiring frequent repairs. Emergency repairs were required in 2001, 2004, and 2011, all while Venoco owned the lease (page 4-46). All repairs were made because of directives from the Santa Barbara County Air Pollution Control District or CSLC, not through Venoco's own admission (pages 2-4 and 2-5). As effects from climate change become more prominent, Pier 421-2 and its associated infrastructure will only face greater pressure from increased wave action and more severe storms, requiring even more repairs.

CK-3 cont.

The infrastructure involved in the proposed project is old and will require continuous maintenance. Relying on Venoco to quickly identify any potential issues and act preemptively is risky given their history of recalcitrance, accidents, and non-compliance.

Best Available Technology for Leak Detection

The DEIR indicates that leak detection along pipelines under the LFC alternative would be less accurate than the proposed project because oil would be transported in a multiphase form. This assertion plays a large role in the DEIR's determination that processing at LFC is more impactful than the proposed project. However, there are available technologies that can improve leak detection in multiphase pipelines. The DEIR only analyzes volumetric based leak detection. An analysis by Alaska's Department of Environmental Conservation reveals that Real Time Transient Modeling (RTTM) can address some of the issues associated with multiphase leak detection compared to volume balance models:

“Real time transient modeling is capable of dealing with this transient storage effect, albeit at degraded sensitivities, whereas volume balance methods may misinterpret loss to and gain from the slackline as a leak from or false input to the pipeline.”⁶

CK-4

Additionally, compact separators and other technologies can be used to improve leak detection by removing the majority of the gas before it is transported by pipeline. While the DEIR indicates that this separation is possible, it fails to analyze this option.

Chapter 4, CE 1.6(d) and CE 1.8 of Goleta's General Plan state that projects that may impact ESHAs should implement “mitigation measures to avoid or lessen impacts to the maximum extent feasible” and that “development adjacent to an ESHA shall minimize impacts to habitat values or sensitive species to the maximum extent feasible.” Additionally, Article 7, Section 30262 (7)(A) of the Coastal Act states that “pipelines used to transport this oil shall utilize the best achievable technology to ensure maximum protection of public health and safety and of the integrity and productivity of terrestrial and marine ecosystems.” Channelkeeper therefore feels that the best available technology for leak detection should be incorporated into the project and be analyzed for the proposed project and the LFC alternative.

⁵ http://www.waterboards.ca.gov/centralcoast/board_info/agendas/2009/oct/item7/stfrpt_7.pdf

⁶ <http://dec.alaska.gov/spar/ipp/docs/ldetect1.pdf>

South Ellwood Field Project

The CSLC determined that Venoco’s revised application for their proposed South Ellwood Field Project was complete in July 2014. As a result, this project should be included as a relevant cumulative project in the revised PRC 421 DEIR and should be added to Figure 3-1 and Table 3-1 (pages 3-2 through 3-5). The South Ellwood Field Project, as proposed, would result in increased oil production in the area, increased processing at the EOF (or processing at LFC), and additional environmental impacts as Venoco plans to redrill up to six wells from Platform Holly.

The City of Goleta’s General Plan specifically addresses this project in Chapter 2, LU 10.3(b) stating, “In the event that extended field development from Platform Holly is approved, the City supports the processing of oil and gas production at the South Coast Consolidation Planning Area at Las Flores Canyon.” This indicates that if the South Ellwood Field Project is approved, oil and gas from Platform Holly should be processed at LFC. Thus, if PRC 421 oil is processed at the EOF as proposed, rather than at LFC, oil from PRC 421 could be the only oil processed at the EOF. This would in fact prolong the life of the EOF as the non-conforming facility would otherwise be shut down as a result of not processing oil from Platform Holly. Alternatively, approval of processing PRC 421 oil at the EOF would make it more likely that oil from Platform Holly would continue to be processed at the EOF, rather than at the preferred, consolidated LFC facility. This project therefore has significant bearing on the analysis of environmental impacts and the use of the EOF and requires that all cumulative impact subsections of the Environmental Impact Analysis chapter be reanalyzed and that the Alternative Analysis be reframed (discussed in greater detail below).

CK-5

Framing of LFC Impacts vs. EOF Impacts

While the DEIR does analyze the impacts of processing oil at the consolidated LFC facility, it fails to weigh those impacts against the continued use of the EOF. This is especially significant in relation to the South Ellwood Field project. In the impact analysis of the LFC alternative there is much emphasis placed on potential impacts from the new pipeline and additional facilities needed at the LFC site. While using an existing facility may initially appear to have fewer impacts than building new facilities, reframing the analysis to more accurately reflect local policies may reveal that continuing use of the non-conforming EOF may be more impactful.

Coastal Act, County Coastal Land Use Plan, and City of Goleta General Plan policies are all clear that consolidation of oil facilities is a priority.^{7,8,9} The LFC facility was designated as the consolidation site to support these policies. While the LFC may need additional upgrades, County Land Use Policy 6-6c, Condition 1, acknowledges that the County shall “consider expansion of facilities at consolidated sites” in order to support their consolidation policies. This statement indicates that some expansion of facilities, as long as they are a designated consolidation facility, might be more acceptable than using an existing non-consolidated, non-conforming facility.

CK-6

Additionally, the specific objective of the City of Goleta’s LU 10 policy in the General Plan is “to promote the discontinuation of onshore processing and transport facilities for oil and gas.” The General Plan goes on to say that “the Venoco EOF site is an inappropriate location for processing of oil and gas because of the public safety and environmental hazards associated with this type of use and its close proximity to residential neighborhoods, Ellwood School, Bacara Resort, and environmentally sensitive habitat areas.” These two statements illuminate the purpose of the

⁷ Coastal Act. Article 7, Section 30262 (2).

⁸ Santa Barbara County. Coastal Land Use Plan. Policy 6-6c.

⁹ City of Goleta. General Plan/Local Coastal Plan. LU 10.

consolidation policy: to ultimately eliminate processing at the EOF, the only remaining non-conforming oil processing facility on the South Coast.

The proposed project would be in greater conflict with this objective when the South Ellwood Field project is included in the analysis. As mentioned above, the approval of processing PRC 421 oil and gas at the EOF may impact how processing occurs for the proposed South Ellwood Field project and the extended, continued use of the EOF. It may be more environmentally beneficial, and more in line with city, county, and state policies, to have Venoco bypass the EOF for the proposed project, thus encouraging processing at the consolidated LFC facility and decommissioning of the EOF under the South Ellwood Field project if it were to be approved. We hope that the Final EIR is updated to include an analysis of the above issues.

CK-6 cont.

Conclusion

As described in detail above, Santa Barbara Channelkeeper has several concerns regarding the proposed project. The potential significant adverse impacts to sensitive habitats and species are magnified when paired with Venoco's history in the region and the site's history of need for repair. Channelkeeper also has concerns regarding implementation of Best Available Technology for pipeline leak detection and is apprehensive of precedent-setting decisions that may continue the non-conforming use of the EOF.

Thank you for the opportunity to comment on the revised DEIR for the PRC 421 Recommissioning Project; we appreciate your attention to the issues and concerns we raise and trust you will address them before certifying the EIR. Please feel free to contact us via email at jennad@sbck.org or telephone at 805.563.3377 ext.5 should you have any questions.

Sincerely,



Kira Redmond
Executive Director



Jenna Driscoll
Watershed and Marine Program Associate

RESPONSE TO COMMENT SET 9: SANTA BARBARA CHANNELKEEPER

- CK-1 Please refer to responses to specific concerns in responses to comments CK-2 through CK-6 below.
- CK-2 The EIR includes a range of mitigation measures intended to protect the environment, including sensitive species and habitats, from potential harm related to Project implementation. However, no mitigation is available that would reduce the probability of every adverse Project effect to zero. Thus, the EIR identifies 16 significant and unavoidable impacts, 13 of which are related to effects of potential oil spills. Adoption of a Statement of Overriding Considerations would be required if the CSLC approves the Project.
- CK-3 Venoco's history of regulatory compliance, accident frequency, and emergency response will be considered by the CSLC when deciding whether or not to approve the Project. The existing repaired seaward-facing walls on the caissons of Piers 421-1 and 421-2 are designed and engineered to protect the seaward-facing side of the caissons from severe winter storm damage. MMs S-2a and S-2b would require Venoco to: (1) develop and submit to CSLC staff design plans, certified by a professional civil/structural engineer, for the non-seaward-facing caisson walls that address the potential for failure of these walls from high-magnitude, low-frequency events including storms for the Project duration; (2) perform caisson repairs in accordance with approved design plans prior to recommencement of oil and gas production; and (3) require regular winter storm season monitoring and response.
- CK-4 There are three-phase modeling programs with transient response features available (e.g., "OLGA"). However, in communications the Applicant has had with leak detection system vendors, including OLGA (Schlumberger), ATMOS, and EFA (Ed Farmer Associates), all have stated that the compositional changes expected from the well source as well as inherent phase changes that will occur along the route make this a particularly challenging application. The use of real-time transient models has the potential to offer better accuracy; but at this time no vendor has agreed to furnish a specific quantitative estimate. The EIR states in Section 2.5.2, Maintenance and Safety of Line 96, that the existing Line 96 leak detection accuracy is estimated to fall in the +/- 5 percent range over a 4-hour period, and +/- 1percent range over a 24-hour period. For the PRC 421 emulsion line the pipeline pressure/composition is much more variable. As such, the maximum accuracy of the leak detection system is expected to be +/- 15 percent over a 4-hour period. Flow upsets (including slug flow) could further reduce accuracy to +/- 40 percent until flow equilibrium is reestablished.
- CK-5 The South Ellwood Field Project proposal has been incorporated into the list of cumulative projects, and relevant cumulative discussion. Please see Section 3.0, Cumulative Impacts Methodology, of the Final EIR. While the City of Goleta encourages the processing of oil and gas production at LFC in its

General Plan, it is not a requirement for resumption of production at existing facilities and at this point in time, the feasibility of using LFC facilities as an alternative for the recently proposed South Ellwood Field Project has not been analyzed pursuant to CEQA and is speculative. As stated in Section 2.2, Proposed Project, the EOF will be decommissioned when the production life of Platform Holly ends, regardless of the status of Lease PRC 421. In the event that production from Lease PRC 421 has not ended by the time production ends on Platform Holly, the EOF must still be decommissioned and may not be used to process production from Lease PRC 421. Please refer to master response MR-1 for further discussion on the duration of the Project and production at Platform Holly.

- CK-6 The purpose of an EIR as defined by State CEQA Guidelines section 21061 is to identify significant effects or changes to the physical environment as a result of a project, to identify reasonable alternatives, and to identify ways to mitigate or avoid significant environmental effects. While the EIR discusses the potential consistency issues of the proposed Project with the City of Goleta and Santa Barbara County adopted plans and policies, the Processing PRC 421 Oil at LFC Alternative would have substantially more adverse impacts to the physical environment due to the construction and operation of 10.2 miles of new pipeline, more infrastructure on Pier 421-2, and new oil processing facilities at LFC (see Section 6.4.5). Also see master response MR-4 for further discussion.

The South Ellwood Field Project proposal has been incorporated into the list of cumulative projects, and relevant cumulative discussion. Please see Section 3.0, Cumulative Impacts Methodology, of the Final EIR. However, specific impacts of the South Ellwood Field Project to the EOF, the relationship of PRC 421, and consistency with applicable plans and policies would be addressed in a separate environmental review process.

COMMENT SET 10: INGEBORG COX, MD

September 20, 2014

Comments for the Recirculated DEIR for the revised 421 Recommissioning Project.

CSLC EIR number: 732 SCH Number: 2005061013

From: Ingeborg Cox MD, MPH

Some existing structures at Pier 421-2 that would be recommissioned as part of this project were constructed in 1928. **(4-40)** They are **86 years old**.

IC-1

The Project would prolong the use of the aging caisson on Pier 421-2, which could collapse and lead to the release of hazardous materials and oil from within the caisson. **(4-76)**

I have these questions after reading the recirculated DEIR.

In a time of drought why can Venoco increase the pump speed which would result in more water being produced in order to maximize oil production? **(ES-13)** What type of water are they using to even consider making these claims? If it is drinking water, is oil more important?

IC-2

According to the County of Santa Barbara Energy Division website the permitted capacities for produced water for the EOF are **8,200 barrels of water** per day.

No as-built plans were provided by Venoco for the seawall and deteriorating older portions of the caissons and **no load calculations** are available for the new walls; therefore the stability of the piers, caissons and seawall is impossible to fully ascertain. **(4-79)** The 2000 Thomas and Beers structural engineering report also referenced the lack of as-built plans.

IC-3

In the **FEIR from January 2014** a letter of Glenn S. Russell, PhD, Director of the Santa Barbara County Planning and Development, dated December 19, 2013, mentions:” County Land Use Policies (CLUP) 6-6A require that oil and gas....be processed at consolidated onshore facilities to avoid the proliferation...of redundant processing facilities along the coast. These Policies are codified in the County’s Article II Coastal Zoning Ordinance Sections 35-154 through 35-158. **The EOF is recognized in the DEIR as a legal nonconforming site which is not designated for consolidated processing.**”

IC-4

The DEIR states on page **4-100**: **“Additional processing at the EOF** would incrementally increase the risk of a hazardous material release and subsequent release of oil into the marine environment, no matter how low the probability, **this impact would be significant** and unavoidable”.

IC-5

Why does the CSLC want to run the risk with no as-built plans, rising sea levels due to global warming and structures more than 80 years old, and a seawall that may or may not have followed standard Santa Barbara County construction practices?

Also, with **no as-built plans available for this aging facility how can the structural stability for the life of the Project operation be ascertained?** Why is the CSLC reviewing a project with no as-built plans and still considering the EOF which is NOT designated for consolidated processing?

IC-6

Also it appears that **earthquake loading** has NOT been considered in the design of this structure **(4-79)**. We have had recent seismic activity in Isla Vista and also in Napa. Earthquake loading has to be considered.

IC-6
cont.

Movement along an offshore fault in the Santa Barbara Channel or in more distant faults could also result in a large wave event. The **wave height could reach as high as 40 feet**, could overtop the piers and access road and potentially compromise the structural integrity of PRC 421-1 or 421-2 caissons. **(4-40)**.

The **well cellar within the caisson** has a volume of approximately 213 barrels of oil **(8,946 gallons)**. It is believed to have sand and other materials packed around it BUT its actual condition and construction are unknown **(4-78)**. If the construction is unknown why is it stated that the well cellar would serve as containment within the caisson?

IC-7

This is not just a recommissioning project; it appears that PRC 421 needs more safeguards than that. Also to be considered is the worst-case discharge volume for the South Ellwood Field which is 3,000 barrels (126,000 **gallons**) according to the report. Isn't Holly part of the South Ellwood Field?

IC-8

Which other oils are being transported in Line 96? On **page 4-136** it is mentioned that the PRC 421 oil represents only **3.61 percent** of the total oil transported through the pipeline, **most of which** is from Platform Holly, which produces **4,000 Barrels of Oil per day (BOPD)** (**168,000 gallons** per day).

IC-9

Also the design of the repairs done and the project **include an assumption** that subsurface conditions for the repair were **accurately characterized by one soil boring** that was completed **approximately 80 feet north of the structure** in the access road as part of the 2001 repair project.**(4-40)**

Is one soil boring taken at that distance enough? One sample is not even enough to give data for a statistical calculation. The documentation for this project is not available, what are the consequences in the long run if the project is allowed? Can CSLC allow the risk of a major oil spill along our coast?

IC-10

The project infrastructure would be at risk of being damaged in a seismic event. A seismic event could also damage sections of the pipeline connecting Pier 421-2 to Line 96 as well as Line 96 itself. **(4-76)**

Where is the pump of PRC 421-2 currently located? Why is the new Electrical Submersible Pump (ESP) being placed at a **depth of about 2,960 feet** below sea level? **(4-76)**

IC-11

There have been **four blowouts** from Pacific Outer Continental Shelf (OCS) oil/gas projects since 1992. **Two of which** occurred in 2000 and 2004 from **Platform Gail**, which is currently operated by Venoco. Both were due, at least in part, to **human error**. **(4-85)** If an oil spill occurred at PRC 421 Bell Canyon Creek and Deveraux Slough estuaries would be affected, **(4-85)** and also the residents living nearby.

IC-12

Why does the **current Emergency Action Plan (EAP)** for South Ellwood NOT contain any procedures for response to a release at PRC 421? **(4-87)** Is this normal procedure? If not, why was it allowed until now?

IC-13

“The crude oil that would be produced by the Project and transported through Line 96 would not be a source of acute toxic impacts to human receptors if released and is not expected to be a source of odors that would be a nuisance to the public”. (4-126) However, according to an Arthur D. Little Quantitative Risk Assessment (QRA) for Venoco’s Holly and Ellwood Facility (June 9, 2000) the gas pipeline from Platform Holly emerges from underground and connects with the Venoco facility at the southern end of the plant. It appears that this is near the area where PRC 421 oil will join Holly oil.

A rupture in the gas pipeline could lead to a major release. The resulting release of untreated gas from Platform Holly, would contain methane and **hydrogen sulfide up to 20,000 ppm**. Inhalation of 1000ppm can be lethal. Other consequences are flammable dispersion leading to a possible vapor cloud explosion and toxic dispersion.

IC-14

“The public could also face potentially hazardous conditions if leaks of hydrocarbons and sulfur compounds occurred from the sides of the caisson structures, as happened recently from the side of Pier 421-1 and the seaward side of Pier 421-2”. (4-90) How can you ensure the integrity of a structure without having access to as-built plans or will this structure be rebuilt?

“...repressurization is not a purpose of the Project, but **Project implementation may affect repressurisation**” (1-2) If repressurisation could be affected then this needs to be fully evaluated. The area has had an increase in residential housing and the residents’ safety should come first. If repressurization will be affected, who will be correcting the oil wells that have been abandoned incorrectly?

IC-15

The co-location of the facility at Las Flores needs to be further investigated.

IC-16

Please correct: Page 3-3 Bacara Resort and Spa Expansion is not pending.

IC-17

Ingeborg Cox - Oral comments submitted at Public Meeting on Revised PRC 421 Recommissioning Project Recirculated Draft EIR, September 15, 2014 (Session 1).

Most likely I will send you all my comments, but I will right now do some of the highlights. All right. Thank you. Existing structures at Pier 421 that would be decommissioned as part of this project, as we know, were constructed in 1928. They are 86 years old. In a time of drought why can't Venoco increase the pump speed which would result in more water being produced in order to maximize oil production? What type of water are they going to use, to even consider making these claims? If it is drinking water, is more oil more important? No.

IC-18

As-built plans were provided by Venoco for the seawall and deteriorating all the portions of the caissons and no load calculations are available for the new walls. Therefore, the stability of the piers, caissons and seawall at the time is impossible to fully ascertain. With no plans available for this aging facility, how can the structure stability for the life of the project operation be ascertained?

IC-19

Also, it appears that earthquake loading has not been considered in the design of the structure. We have had recent seismic activity in Isla Vista and also in Napa. Moving along an offshore fault in the Santa Barbara Channel or a more distant fault could result in a large wave event. These wave heights could reach as high as 40 feet.

The well cellar within the caisson has a volume of approximately 8946 gallons. But it's actual condition and construction are unknown. If the construction is unknown, why is it stated that the well cellar would serve as containment within the caisson?

IC-20

Also, are the oil wells that were not abandoned correctly going to be corrected by Venoco? The design of the repairs done in the project include an assumption that the subsurface conditions for the repair were accurately characterized by only one soil boring that was completed approximately 80 feet north of the structure. One sample is not even enough to give data for a statistical calculation. The project infrastructure would be at risk of being damaged in a seismic event. We have had recent seismic activity, like I stated, in Isla Vista and in Napa.

IC-21

What I would like to find out is where is the pump of PRC 421-2 currently located? Because the new electric submersible pump is going to be placed at the depth of about 2960 feet below the sea level.

IC-22

There have been two blowouts from before in the area. One was in 2000 and the other in 2004 from Platform Gale, which is currently operated by Venoco. Both were due to human error. If an oil spill occurred at PRC 421, Bell

IC-23

Canyon Creek and Devereux Slough Estuary would be affected.

Also, why does the current emergency action plan for South Elwood not contain any procedures for response to a release at PRC 421? Is this normal procedure? And if not, why was it allowed until now?

IC-24

Apparently a gasoline -- apparently the gas pipeline from Platform Holly emerges from underground and connects with the Venoco facility at the southern end of the plant. It looks like this is near the area where PRC 421 oil will join Holly oil. A rupture in the gas pipeline could lead to a major release. Other consequences are flammable dispersion leading to a vapor cloud explosion and toxic dispersion. If this can have deleterious effect for the residents, can this have deleterious effects for the residents nearby and why was this site chosen? Also, this area is besides the Bell Creek, which is an ESHA.

IC-25

I agree with the previous speaker to further investigate the co-location of the facility at LFC. And I will be sending you further comments. Thank you.

IC-26

RESPONSE TO COMMENT SET 10: INGEBORG COX, MD

- IC-1 Comment acknowledged. A number of infrastructure upgrades have been completed on Piers 421-1 and 421-2 and additional improvements are proposed for Pier 421-2. Please see Section 2.0, Project Description, of the Final EIR for more information on these improvements. Also noted on page 4-314 of the EIR, the historic structures have been modified considerably since 1928 and the reconstructed structures to their present configuration occurred sometime between 1979 and 1987. In addition, both the caissons and the pier structures are inspected annually by a California registered civil/structural engineers. Impacts related to hazardous materials are described in Section 4.3, Hazardous Materials.
- IC-2 Water produced from extraction of PRC 421 oil would not be considered potable water due to residual oil and potential mineral content. Also, production of oil and produced water from the combined production of Platform Holly and PRC 421 would remain within permitted processing and disposal limits for the EOF.
- IC-3 The geological stability of the PRC 421 pier locations is described in Section 4.1, Geological Resources, of the EIR and potential impacts related to stability are described in Impact GEO-1, Seismic and Seismically Induced Hazards. MMs are provided to evaluate seismic loading, field-verify subsurface conditions, inspect facilities after seismic events, and cease production during tsunami warnings (MM GEO-1a to MM GEO-1d). The seaward-facing wall of Pier 421-2, as well of portions of the east- and west-facing walls, has been substantially reinforced through repairs conducted in 2011. The Project also includes repair of the walls that were not repaired in 2011.
- IC-4 Please refer to master response MR-2 for discussion regarding the nonconforming status of the EOF.
- IC-5 Comment acknowledged. The Project was selected as the Environmentally Superior Alternative because it presents a lower risk of oil spill, and incorporated infrastructure upgrades would improve safety, compared to the continued shut-in of the PRC 421 wells. The EIR includes a range of MMs intended to protect the environment and area residents from potential harm related to a potential release of hazardous materials.
- IC-6 Earthquake loading would be considered for the design of infrastructure upgrades for Pier 421-2 that would improve the stability of Pier 421-2. MM S-2a, Design Review/Wave Loading Evaluation, requires Venoco to develop design improvement plans that account for wave loading and earthquake conditions, in accordance with California Building Code, to support Project facilities through the production life. The revised design plans would be reviewed and certified by a professional civil/structural engineer and submitted to CSLC staff for approval. Caisson repairs would be performed in accordance

with approved design plans prior to recommencement of production at Pier 421-2. Additionally, please also refer to master response MR-2 for discussion on the infrastructure at the EOF. While no as-built plans of Pier 421-2 are included in this EIR, a plot map of the EOF is available at: www.sbcountyplanning.org/energy/documents/projects/Venoco-PlotPlan.pdf.

- IC-7 As discussed in Section 4.2, Safety, the well cellar would require improvements to ensure its condition and suitability to prevent any migration of oil from Pier 421-2 in the event of an accidental release. MM S-4a, Containment, would ensure the well cellar is equipped for containment of leakages. The well cellar would be tested by Venoco to determine whether it is leaking, and coated with a rubber type liner or other sealant to prevent migration from the cellar walls or bottom to surrounding areas. If the well cellar is leaking, an engineering evaluation would be performed to determine the best method to achieve containment, which may include replacement with a double wall cellar or retrofit with a membrane coating capable of containing oil and preventing migration. The revised design, which includes these improvements, would be reviewed and certified by a registered engineer and submitted to the CSLC staff for approval, and Venoco would construct all approved improvements prior to recommencing production.
- IC-8 Platform Holly is within the South Ellwood Oil Field. The worst-case planning volume for South Ellwood Field has been updated to 30,811 barrels; this number reflects the most recent and accurate data. Please see Section 4.2, Safety.
- IC-9 Oil from Platform Holly makes up the remainder of the oil transported via Line 96 (96.39 percent).
- IC-10 In Section 4.1, Geological Resources, MM GEO-3, Perform Subsurface Evaluation, requires an evaluation of soils performed by a Geotechnical Engineer prior to construction. Further discussion on impacts related to seismic events are discussed in Section 4.1.
- IC-11 Well 421-2 is not currently active. Installation of the ESP at 2,960 feet below sea level is to reach the depth at which oil can be accessed in the Vaqueros Reservoir. This depth also protects the equipment from wave action and avoids creating a noise source on the surface.
- IC-12 The EIR includes a range of MMs intended to protect the environment and area residents from potential harm related to oil spills. However, no mitigation is available that would reduce the probability of every adverse Project effect to zero. Thus, the EIR identifies 16 significant and unavoidable impacts, 13 of which are related to effects of potential oil spills. Adoption of a Statement of Overriding Considerations would be required if the CSLC approves the Project.

- IC-13 The existing Emergency Action Plan (EAP) applies to the South Ellwood Oil Field as PRC 421 has been shut in for more than a decade. This EIR contains mitigation (MM S-5b, Develop Emergency Action Plan (EAP)/Update to South Ellwood Field EAP) requiring Venoco to incorporate response procedures specific to the new system prior to the initiation of operation, as well as requiring an update of the South Ellwood Field EAP.
- IC-14 Please refer to Section 2.0 of the EIR, Project Description, for a list of proposed upgrades to Pier 421-2 infrastructure.
- IC-15 Please refer to MR-3 for discussion on repressurization.
- IC-16 Please refer to MR-4 for further discussion on processing at LFC.
- IC-17 Table 3.1 in Section 3.0, Cumulative Impacts Methodology, of the Final EIR has been revised to reflect the withdrawn status of the Bacara Resort and Spa Expansion.
- IC-18 Please refer to response to comment IC-2.
- IC-19 Please refer to response to comments IC-3.
- IC-20 Please refer to response to comment IC-7.
- IC-21 Please refer to response to comment IC-6.
- IC-22 Please refer to response to comment IC-11.
- IC-23 Please refer to response to comment IC-12.
- IC-24 Please refer to response to comment IC-13.
- IC-25 Please refer to response to comment IC-12.
- IC-26 Comment acknowledged. Please refer to MR-4 for further discussion on processing at LFC.

COMMENT SET 11: ED AND SUSAN DOUGHERTY

From: Susie Dougherty [cruzantimes@yahoo.com]
Sent: Thursday, September 04, 2014 3:39 PM
To: Comments, CEQA@SLC
Subject: Venoco

Yes, please say yes to Venoco. We need the oil and the wages and taxes earned from their oil. ESD-1

Ed and Susan Dougherty
285 N. Kellogg Ave.
SB, CA 93111

RESPONSE TO COMMENT SET 11: ED AND SUSAN DOUGHERTY

ESD-1 The commenter's support for the proposed Project is noted and will be provided to the decision-makers prior to a decision on the Project.

COMMENT SET 12: MICHAEL LOPEZ

***Oral comments submitted at Public Meeting on Revised PRC 421
Recommissioning Project Recirculated Draft EIR, September 15, 2014 (Session 1).***

My name is Michael Lopez. I'm with -- affiliated with Local 114, the Plumbers and Pipefitters Local in Santa Barbara County. The only thing I want to say is the last speaker talked about responsibility to the community. One thing I appreciate Venoco's procedural methodologies and what goes on in Santa Barbara County, such a highly regulated -- there is no place more regulated than this area. That part of being in service to the community is providing safe jobs and producing material in the most safest methodologies possible. And I don't know of any other place that can do that better than, as you folks are attested to with your hard work, in Santa Barbara County. We are in support of that project and hope it moves forward. Thank you.

ML-1

RESPONSE TO COMMENT SET 12: MICHAEL LOPEZ

ML-1 Comment acknowledged. The commenter's support for the proposed Project is noted and will be provided to the decision-makers prior to a decision on the Project.

COMMENT SET 13: BARBARA MASSEY

Oral comments submitted at Public Meeting on Revised PRC 421 Recommissioning Project Recirculated Draft EIR, September 15, 2014 (Session 1).

Good afternoon. Barbara Massey. I wanted to point out, first of all, that the EOF is the onshore facility and not the offshore facility. That's part of the reason we're upset with it. I would like to say, also, I agree with both Linda Krop and Dr. Cox. When the State Lands Commission staff revised the inadequate FEIR, they realized unless they changed the no project alternative, they could not get the recommissioning approved. At that point they declared the, quote, Venoco is obligated to resume production and processing of oil from Pier 421 under conditions similar to those in existence in 1994. Why wasn't Venoco obligated to do this in 2013 and it is now? Define the conditions in existence in 1994 and do these conditions meet current standards? By asking -- By saying that Venoco is obligated to resume production, staff has made the State responsible for paying Venoco if Venoco is not allowed to proceed. This is against the best interests of the State and the taxpayers. The State Lands Commission is supposed to be representing the interest of the citizens of the State and not the oil industry.

BM-1

Why was Holly's production life extended from 20 years in December of 2013 to 40 years in the January 2014 FEIR and in this document? I would like to have this explained.

BM-2

On page 1-1 it states, "Operations shall not resume until authorization of resumption of operations has been made by the Commission." I would like to know when this was done. It seems a waste of time to review and comment on the new DEIR because no matter what facts are presented to the State Lands Commission, it will find a way for this project to be approved. The citizens of the State deserve better.

BM-3

RESPONSE TO COMMENT SET 13: BARBARA MASSEY

BM-1 Venoco holds an existing lease from the CSLC that contains contractual obligations on the parts of both Venoco and the State of California. The EIR also describes all Project-related impacts and a wide range of alternatives. The CSLC and other decision-makers will be required to consider all of this information in determining whether the proposed Project should be approved.

BM-2 Please refer to MR-1 for discussion on the Project duration.

BM-3 The CSLC has not yet authorized the resumption of operations at Well 421-2 and will consider all of the information in this EIR, including public comments, when deciding what action to take on the proposed Project.

COMMENT SET 14: D.A. METROV

From: Metro [webadmin@bragg.com]
Sent: Thursday, September 04, 2014 2:54 PM
To: Comments, CEQA@SLC
Subject: Revised PRC 421 Recommissioning Recirculated DEIR Comments

Please do not let Venoco further develop, or re-develop, or otherwise mar our beautiful beaches, oceans, and off-shore regions with industrial oil projects.

DM-1

D. A. Metrov
Web & Video Administrator
Bragg Live Foods
www.bragg.com
199 Winchester Canyon
Santa Barbara, CA 93117
(805) 968-1020 Ex. 109



RESPONSE TO COMMENT SET 14: D.A. METROV

DM-1 The commenter's opposition to the proposed Project is noted and will be provided to the decision-makers prior to a decision on the Project.

COMMENT SET 15: NANCY VASQUEZ AND WILLIAM VASQUEZ

From: Nancy Vasquez [nancyvasquezconsulting@gmail.com]
Sent: Monday, July 28, 2014 1:40 PM
To: Comments, CEQA@SLC
Cc: William Vasquez
Subject: Re: Re-commissioning the Sandpiper Oil Processing unit - VENECO - PRC 421

To Eric Gillies

California State Lands Commission

100 Howe Ave. STE 100-South

Sacramento, CA 95825

[\(916\) 574-1890](tel:9165741890)

Dear Mr. Gillies,

I wanted to go on record to strongly oppose the possible re-commissioning of the State Oil and Gas Lease PRC 421, currently under consideration and proposed by VENECO Corp. This is in reference to the facility at the Southern end of the Sandpiper Golf Course.

We use this coast line for recreation and love the beauty. We want to preserve it for our children and future Goleta residents, not more oil production.

Thank you for your help to insure that my comments are properly documented.

Sincerely,

Nancy Vasquez Ph: [805-968-1724](tel:8059681724)
Homeowner, Goleta, CA

NWV-1

Responses to Comments

On Mon, Jul 28, 2014 at 7:55 AM, William Vasquez <willyv@wvasquez.com> wrote:

To Eric Gillies

California State Lands Commission

100 Howe Ave. STE 100-South

Sacramento, CA 95825

[\(916\) 574-1890](tel:(916)574-1890)

Dear Mr. Gillies,

I wanted to go on record to strongly oppose the possible re-commissioning of the State Oil and Gas Lease PRC 421, currently under consideration and proposed by VENECO Corp. This is in reference to the facility at the Southern end of the Sandpiper Golf Course.

The Goleta area has seen historic growth over the past 10 years, with even more growth planned. People use this stretch of the coast line for daily recreation, and use the entire area for hiking, biking, walking their dogs and generally “getting away” from the city atmosphere.

Creating a new operation here, on the beach, will certainly create disruption to the area’s use, and will certainly enrage more of the community due to limiting their access to the area.

Thank you for your help to insure that my comments are properly documented.

Sincerely,

Will Vasquez Ph: [805-685-9546](tel:805-685-9546)

Homeowner, Goleta, CA

NWV-2

REPONSE TO COMMENT SET 15: NANCY VASQUEZ AND WILLIAM VASQUEZ

NWV-1 The commenter's opposition to the proposed Project is noted and will be provided to the decision-makers prior to a decision on the Project.

NWV-2 Please refer to the response to comment NWV-1. Please note that the PRC 421 piers already exist on the beach and resumption of operations would not disrupt access in the area that currently exists. A benefit of the proposed Project would be that Pier 421-1 would be decommissioned and removed therefore lessening the amount of infrastructure on the beach.

COMMENT SET 16: VENOCO INC.



VIA EMAIL (CEQAcomments@slc.ca.gov)

September 23, 2014

Eric Gillies
Project Manager
California State Lands Commission
100 Howe Avenue, Suite 100-South

Re: Recirculated Draft Environmental Impact Report for the Revised PRC 421
Recommissioning Project (SCH No. 2005061013) (“Draft EIR”)

Dear Mr. Gillies,

Venoco, Inc. (“Venoco”) desires to provide comments to the California State Lands Commission (“Commission”) regarding the greenhouse gas (“GHG”) portion of the above-referenced Draft EIR.

We would like to incorporate herein the comments submitted to the Commission on April 8, 2014 by Gilchrist & Rutter, attorneys representing Venoco, a copy of which is attached to this letter for your convenience. The letter clearly explained that the Commission cannot legally set a zero emissions threshold for GHG emissions either generally or for one particular type of industrial use. Any such threshold is prohibited under the California Environmental Quality Act.

The Draft EIR states several times that “SBCAPCD does not currently have a formally adopted GHG threshold” and “as of the publication of this EIR there are no county thresholds for GHG emissions from projects”. This is not the time to recommend something that could have wide ranging consequences without thorough legal analysis.

Although Venoco objects to the Commission’s use of a zero GHG emissions threshold and will oppose any future use of such a threshold, Venoco will not oppose the Draft EIR as written because opposition to the EIR will only delay the benefits of the project to Venoco and the State of California.

Sincerely,

Ian Livett
Vice President, Southern California Operations

VEN-1

LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

WILSHIRE PALISADES BUILDING
1299 OCEAN AVENUE, SUITE 900
SANTA MONICA, CALIFORNIA 90401-1000

TELEPHONE (310) 393-4000
FACSIMILE (310) 394-4700
E-MAIL: acnorlan@gilchrstrutter.com
DIRECT DIAL: 310.460.4476

April 8, 2014

VIA E-MAIL (JENNIFER.LUCCHESI@SLC.CA.GOV) AND U.S. MAIL

Jennifer Lucchesi
Executive Director
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202
Facsimile: 916-574-1810
E-Mail: jennifer.lucchesi@slc.ca.gov

Re: Venoco, Inc. Project 421/Final Environmental Impact Report
Threshold for Judging Significance of GHG Impacts

Dear Ms. Lucchesi:

We represent Venoco, Inc. with respect to issues raised by the above-referenced Environmental Impact Report ("EIR") under the California Environmental Quality Act ("CEQA").¹

This letter is specifically addressed to the State Lands Commission's decision, as the lead agency for the EIR, to use a "zero emissions threshold for GHG emissions above baseline" to determine if the project would have a potentially significant impact on the environment. (Final EIR, p. 4-129.) Although CEQA Guidelines § 15064.4 does grant a lead agency discretion to choose a threshold and a methodology for determining the significance of a project's impacts, this particular threshold was *specifically rejected* by the California Natural Resources Agency ("Natural Resources") for use in determining the significance of greenhouse gas ("GHG") emission impacts in its newly adopted CEQA Guidelines precisely because CEQA does not allow for setting either a *de minimis* threshold or a "one molecule rule" to judge the significance of a project's impacts or determine whether its impacts would be cumulatively considerable.

As you know, Senate Bill 97 required California to adopt new CEQA Guidelines for analyzing the significance of a project's GHG emissions under CEQA. Ultimately, Natural Resources adopted the new GHG CEQA Guidelines in 2010. As a policy matter, Natural Resources decided that the CEQA Guidelines would assess GHG emissions as a cumulative

¹ References to "CEQA" are to the California Public Resources Code §§ 21000 *et seq.* References to the "CEQA Guidelines" are to 14 California Code of Regulations §§ 15000 *et seq.*

LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

Jennifer Lucchesi
April 8, 2014
Page 2

impact² and as an air pollutant,³ due to the global nature of the effect of GHG emissions. These policy decisions are critical for two reasons: (1) based on established CEQA case law specifically addressing cumulative impacts, neither a zero or "net zero," nor a *de minimis* threshold can be used for determining whether a project's GHG emissions are cumulatively considerable; and (2) different thresholds cannot be used to determine whether the GHG emissions from one type of project are cumulatively considerable versus those from another type of project.

When adopting the GHG CEQA Guidelines, Natural Resources clearly stated that it *could not legally* set a zero net emissions threshold for GHG emissions because CEQA does not allow for setting either a *de minimis* threshold or a "one molecule rule" to judge the significance of a project's impacts or determine whether its impacts would be cumulatively considerable, citing *Communities for a Better Environment v. California Resources Agency* (2002) 103 Cal.App.4th 98, 120-21 ("*CBE*") as authority.⁴ As the *CBE* court explained, a *de minimis* standard is inconsistent with CEQA because it measures "a proposed project's *de minimis* incremental impact relative to the existing cumulative impact, rather than focus[ing] on the combined effects of these impacts." (*CBE, supra*, at p. 121.) As it further explained, setting the threshold at zero is also inconsistent with CEQA, *as that "would be akin to no environmental effect ... [and] '[a]n EIR should not discuss impacts which do not result in part from the project evaluated in the EIR'... [or] 'significant cumulative impacts caused by other projects alone.'"* (*Id.*; emphasis added.)

CBE was a Third District Court of Appeal decision that, in turn, relied on decisions from the Fifth District and Second District Courts of Appeal setting aside EIRs that implicitly or explicitly relied on a *de minimis* threshold for determining that a project's impacts were not cumulatively considerable. (*CBE, supra*, at pp. 118-120.) Therefore, as Natural Resources recognized, *CBE's* holdings reflect widely accepted CEQA doctrine.

Moreover, by also treating GHG emissions as air pollutant emissions in the GHG CEQA Guidelines, Natural Resources ensured that these emissions would be analyzed under CEQA like any other air pollutant. Analyses of air pollutant impacts in EIRs typically rely on thresholds promulgated by the regional air districts. Those thresholds do not change depending upon the source of the emissions, because air pollutant emissions from all sources ultimately combine to determine the air quality in any given region or basin. (Indeed, this EIR treats this project's air emissions like those of any other project's *except* for its GHG emissions.) For this reason,

² See Notice of Proposed Action, p. 10; Natural Resources, *Final Statement of Reasons for Regulatory Action* (2009) ("*Final Statement of Reasons*"), p. 17.

³ *Id.*, p. 11.

⁴ *Final Statement of Reasons*, pp. 25-26.

LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

Jennifer Lucchesi
April 8, 2014
Page 3

legally, no distinction can be drawn between an industrial source emitting one ton of carbon dioxide and a commercial source emitting one ton of carbon dioxide – the impact on global climate change is the same irrespective of the source of the carbon dioxide emission. A threshold must be supported by substantial evidence if used to determine the significance of an environmental impact.⁵ No substantial evidence can support setting a lower threshold for an industrial source than for a commercial source.

Consequently, while the California State Lands Commission has discretion to set a threshold for GHG emissions for general use, it cannot legally set a zero emissions threshold for those emissions either generally or for one particular type of industrial use. For this reason, the EIR's use of a zero emissions threshold for determining the significance of GHG emissions is contrary to CEQA, and renders the EIR legally flawed.

We look forward to working with you to reach a solution to this issue that allows the project to move forward on a timely basis.

Very truly yours,

GILCHRIST & RUTTER
Professional Corporation



A. Catherine Norian
Of the Firm

cc: Terry L. Anderson, Esq.
Mr. Steve Greig
Ms. Cassie Gilson
[395375.5/5231.001]

⁵ *Final Statement of Reasons*, pp. 84-85.

RESPONSE TO COMMENT SET 17: VENOCO INC.

VEN-1 Please refer to MR-5 for discussion related to GHG emission thresholds.