

PLATFORM HOLLY/ PIERS 421 STATUS UPDATE

Town Hall Meeting

City of Goleta

June 15, 2017

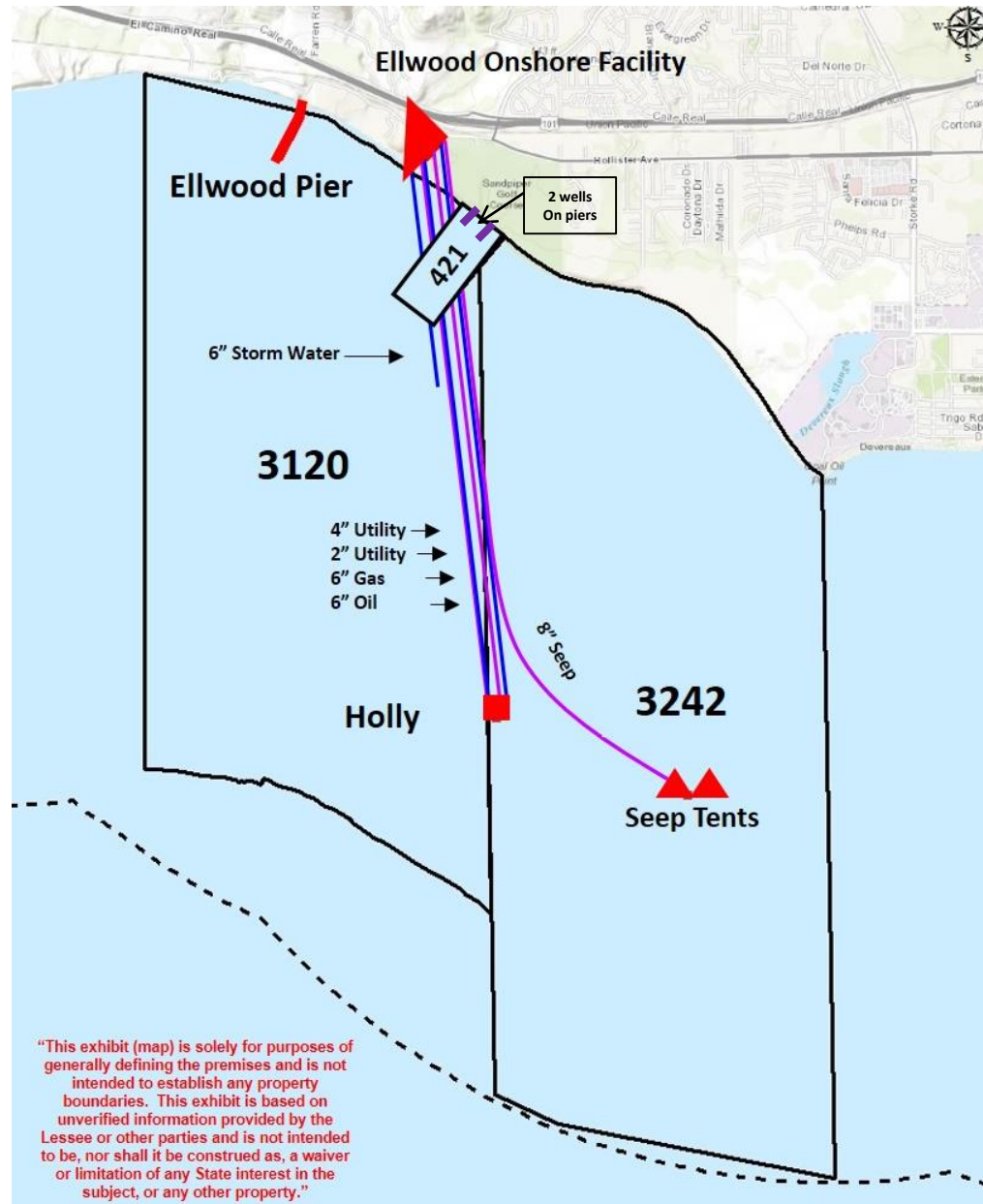


Events Leading Up to Decommissioning

- On May 19, 2015, the onshore underground pipeline (PAAPL Line 901) that transports oil produced from Platform Holly to market ruptured causing the Refugio Oil Spill. Line 901 remains shutdown with no specific date identified for resuming operation. There has been no production from Platform Holly since this event.
- On April 12, 2017, Venoco, LLC notified the Commission that it was no longer able to meet the lease terms and obligations for the South Ellwood Field leases, including Platform Holly and the Ellwood Beach Pier leases.
- On April 17, 2017, the Commission received documents from Venoco, LLC quitclaiming its interests in the South Ellwood Field leases, including Platform Holly and the Ellwood Beach pier leases offshore the City of Goleta.



Location Map with Facility infrastructure



"This exhibit (map) is solely for purposes of generally defining the premises and is not intended to establish any property boundaries. This exhibit is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject, or any other property."





Platform Holly History

- In 1964 and 1965, the CSLC issued PRC 3120 and PRC 3242 to Atlantic Richfield Company (ARCO), after competitive bidding.
- In 1966, Platform Holly was installed in 211 feet of water and production from the South Ellwood Field began using subsea pipelines and the Ellwood Onshore Facility (EOF).
- In 1993, Mobil Exploration and Producing, Inc. (Mobil) acquired both leases from ARCO.
- In 1997, Mobil assigned the leases, including Platform Holly, and other facilities (i.e., the PRC 3904.1 the Ellwood Marine Terminal (EMT) and the two oil piers at PRC 421 to Venoco, which has since operated the facilities.



Platform Holly History

- Located ~1.5 miles offshore west of Goleta.
- Platform consists of 3 decks.
- 26 oil and gas & 4 disposal wells (Shut in since May 2015).
- Platform has four pipelines (6 " oil emulsion, 6" gas, 2- 4" utility lines).
- New 16.5 KV subsea power cable installed in 2013.





Pier 421-1

Pier 421-2

PRC 421 History

- PRC 421 was originally issued by State Surveyor General in 1929. The lease was extended and renewed by the State Lands Commission (Commission) on October 22, 1949.
- PRC 421 includes two piers and two wells (PRC 421-1 and PRC 421-2)
- Production from the lease was continuous until it was curtailed in May 1994 due to an onshore oil spill from a 6-inch flow line.
- PRC 421 remains shut-in.



Decommissioning Process

- Synopsis:
 - **Phase 1:** Ensure continuous staffing at Platform Holly and the EOF to provide Commission staff with time seek Requests for Proposals (RFPs) from qualified engineering outfits to plug and abandon (P&A) the wells on Platform Holly and PRC 421. This phase should be concluded by July 31, 2017.
 - **Phase 2:** Once a contractor is selected, begin the P&A process on the 30 wells on Platform Holly and the 2 wells on PRC 421. This phase is expected to require roughly 20-36 months, depending on conditions. Once complete Platform Holly and PRC 421 will be rendered largely safe.
 - **Phase 3:** The final decommissioning and removal of offshore infrastructure. The specifics for this phase have not yet been developed and is highly dependent on funding, but Commission staff anticipates beginning the development of the decommissioning plan in approximately 18 months from the beginning of the P&A process.



Thank You for Your Participation!

- For more information: www.slc.ca.gov
 - Jeff Planck, Asst. Chief of the Mineral Resources Management Division
 - jeff.planck@slc.ca.gov; 590-562-5306
 - Seth Blackmon, Senior Staff Counsel, Legal Division
 - seth.blackmon@slc.ca.gov; 916-574-0393
- For media Inquiries, please contact:
 - Sheri Pemberton, Chief of External Affairs Division
 - Sheri.pemberton@slc.ca.gov; 916-574-1992



Questions

- Please regularly check the www.slc.ca.gov website for updates on the Venoco Bankruptcy and the Commission activities.

