



ELLWOOD/SOUTH ELLWOOD DECOMMISSIONING PROJECT

CITY OF GOLETA: June 27, 2019

CALIFORNIA STATE LANDS COMMISSION



California State
Lands Commission



Agenda

- Welcome and Opening Comments
- Technical Update
 - PRC 421 Wells/Piers
 - Oil Release 6-5-19 Information
 - Progress since last Town Hall
 - Where we are on the final abandonment of the #2 Well
 - Platform Holly Repairs and Refurbishment
 - Ellwood Onshore Facility (EOF)
 - Litigation Update
- Coordination with Tribal Governments and Local/State Agencies
- Next Steps
- Closing Remarks

Project Area

- Ellwood Onshore Facility (EOF)
- Piers 421
- Platform Holly

Ellwood Onshore Facility



Piers 421-1 and 421-2



Pier 421-1

Pier 421-2

Platform Holly



PRC 421 Piers and Wells

Pier/Well #1

Pier/Well #2

Safety Steps Prior to PRC 421 P&A



Plug & Abandonment of PRC 421-1 April 2019

- The 421#1 well was successfully plugged and abandoned to current standards.
 - The well served as a disposal well and that zone was plugged with cement in April



Coil Tubing Unit

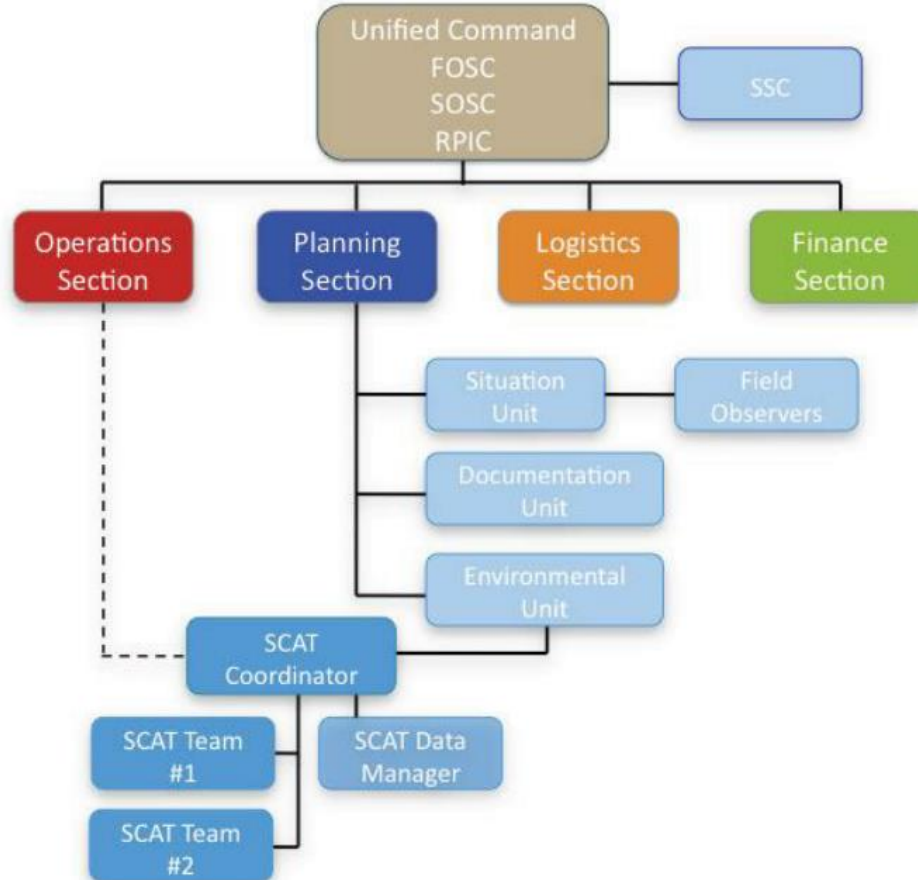
Safety Steps Prior to PRC 421-2 P&A



PRC 421 Piers – The “Beachfront” Wells

- Plugging & Abandonment
 - The 421#2 Well is still a work in progress
 - The well produced oil from the geologic Vaqueros formation and that zone was plugged with cement in April 2019 as well.
 - In May more of the well was sealed using a small drill rig setting numerous solid cement and fluid barriers in the wellbore from the that zone up to approximately 1541 feet.
 - On May 28, 2019, while preparing for the surface cement plugs, there was a release of oil both inside and outside of the steel caisson.
 - The the operation immediately shut down in order to respond to the release. A Unified Command was established.

Unified Command and Collaboration



Unified Command and Collaboration

- Unified Command Consisted of:
 - Department of Fish and Wildlife, Office of Spill Prevention and Response (OSPR)
 - Lt. Christian Corbo (OSPR) – State On-Scene Coordinator (SOSC)
 - Eric Laughlin – Public Information Officer
 - United States Coast Guard
 - CWO. Paul Ricketson – Federal On-Scene Coordinator (FOSC)
 - City of Goleta
 - Anne Wells – Advance Planning Manager, Department of Planning and Environmental Review

Unified Command Cont'd

- Unified Command Consisted of:
 - California State Lands Commission
 - Jeff Planck – Platform Holly Project Lead
 - Seth Blackmon – Project Co-Lead
 - Jennifer Lucchesi – Executive Officer
 - Sheri Pemberton – Public Information Officer
 - Jennifer Mattox – Tribal Liaison
 - Beacon West Energy
 - Larry Huskins
 - Chris Peltonen
 - Keith Wenal
 - Mike Wracher

Collaboration

- Unified Command and the Commission coordinated with representatives from local Tribes present to assess/observe the response and to protect cultural resources from impacts associated with the clean up.
- Department of Oil, Gas, and Geothermal Resources (DOGGR)
- During the response May 29-June 1,2019
 - Local Chumash Tribal Representatives aided clean up efforts by providing Tribal monitors and observation of the response activities.

PRC 421-2 Release: What We Know and What We Don't.

- We still have many questions as to the cause and the source of the oil, but the investigation is on-going.
- The oil released was not from the production zone which had been plugged with cement in April with the coil tubing unit (shown above re 421#1).
- The total release was estimated at 2-3 barrels (84-126 gallons) of “dead” oil (no sheen in the water, very thick and a slight sheen on the surface or in small tide pools).
- The release was cleaned up quickly and efficiently in less than 5 days

What We Know and What We Don't

- Since the incident, we have investigated the inside of the caisson for oil (by coring) and have found no “free oil” (only oiled soil). We will also investigate the caisson at 421#1 to ensure that the ultimate removal of the structures will not cause a similar problem.
- The method for the final plugging or “capping” of the well is being reviewed by DOGGR and SLC engineers and will proceed once everyone is satisfied that the activity will prevent or limit any further discharges.
- It is important to note that the beach safety perimeters around the working area are for your safety
- Once the P&A of the wells is done, the wells will be in a safe and dormant condition. However, the piers and caissons will remain until the CEQA work is done and contractors are retained to take out those structures.

KEC: Detail of the Release on May 28, 2019

The PRC 421 #2 Well

- Drilled & Completed in 1930
- Oil leak observed at bottom of the well cellar during wellhead diagnostics
- No leaks or oil observed on PRC 421 #1 Well

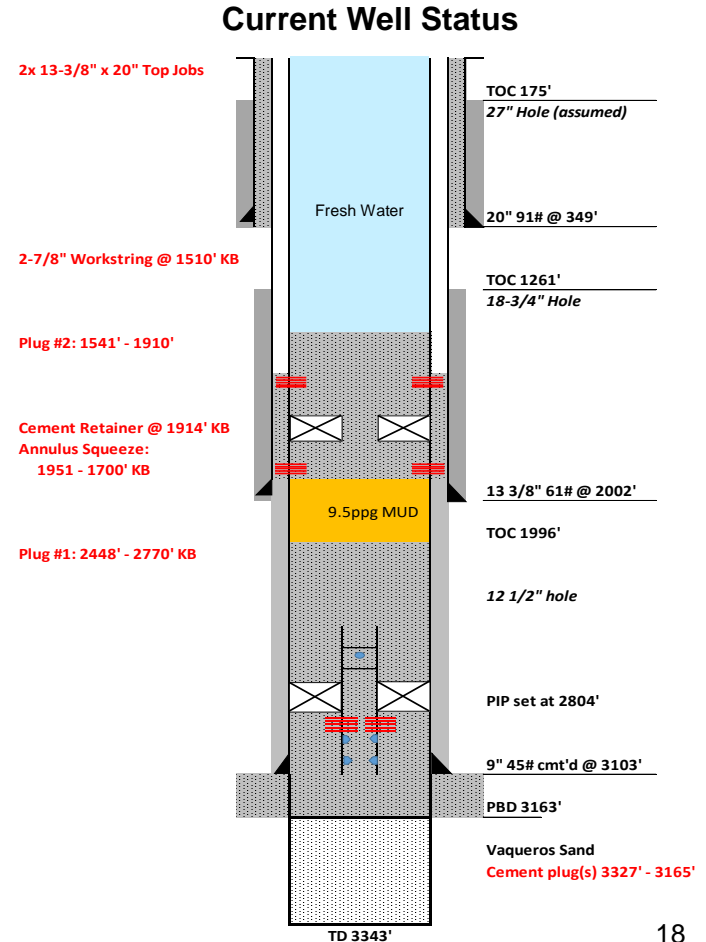




Apr – 2019

421-2 Current Well Status

- Vaqueros formation isolated with cement squeeze and balanced plug
- 13-3/8" casing isolated – Casing Bond Log confirmed TOC at 1600'
- Balanced cement plug set above cement retainer



Sequence of Events Prior to Leak

- 2x “top jobs” conducted on the 20” x 13-3/8” casing placing cement in annular space
- Pumped ~74 bbl of freshwater slowly to fill 9” x 13-3/8” annulus in preparation for cementing same
- After pumps shut-down, observed oil in the 421-2 caisson adjacent to cellar, and in the water in front of the caisson
- Likely shallow leak on both casing strings into the surrounding (Caisson)?



421-2 Caisson



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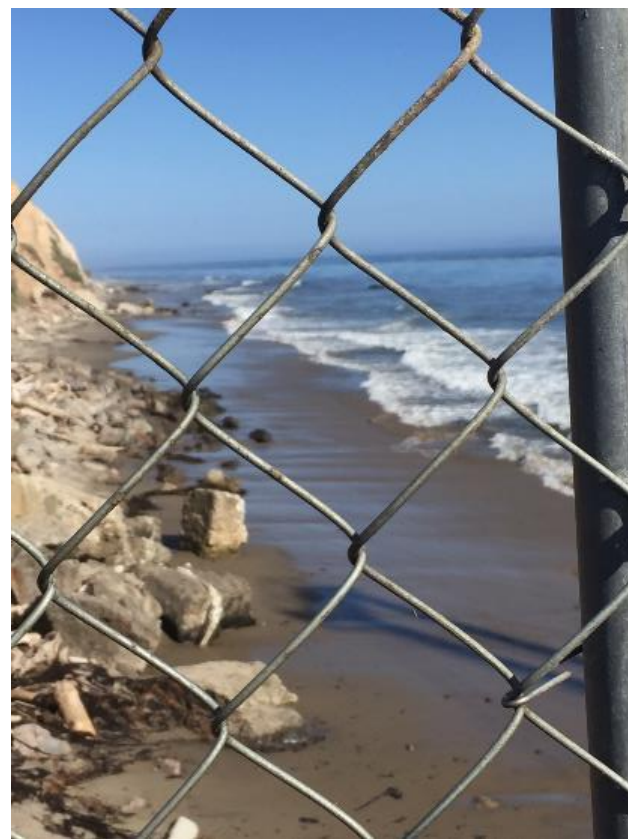
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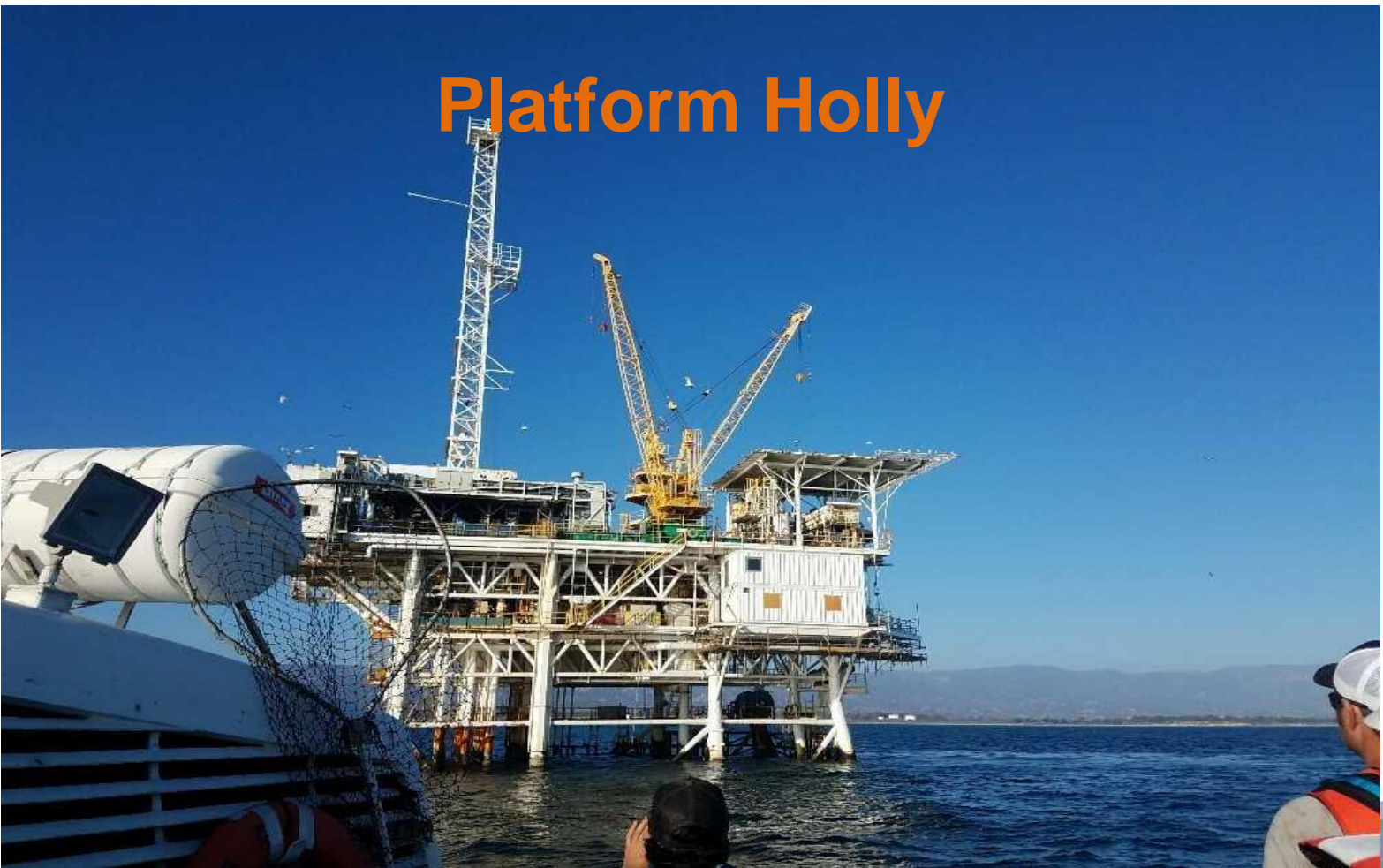


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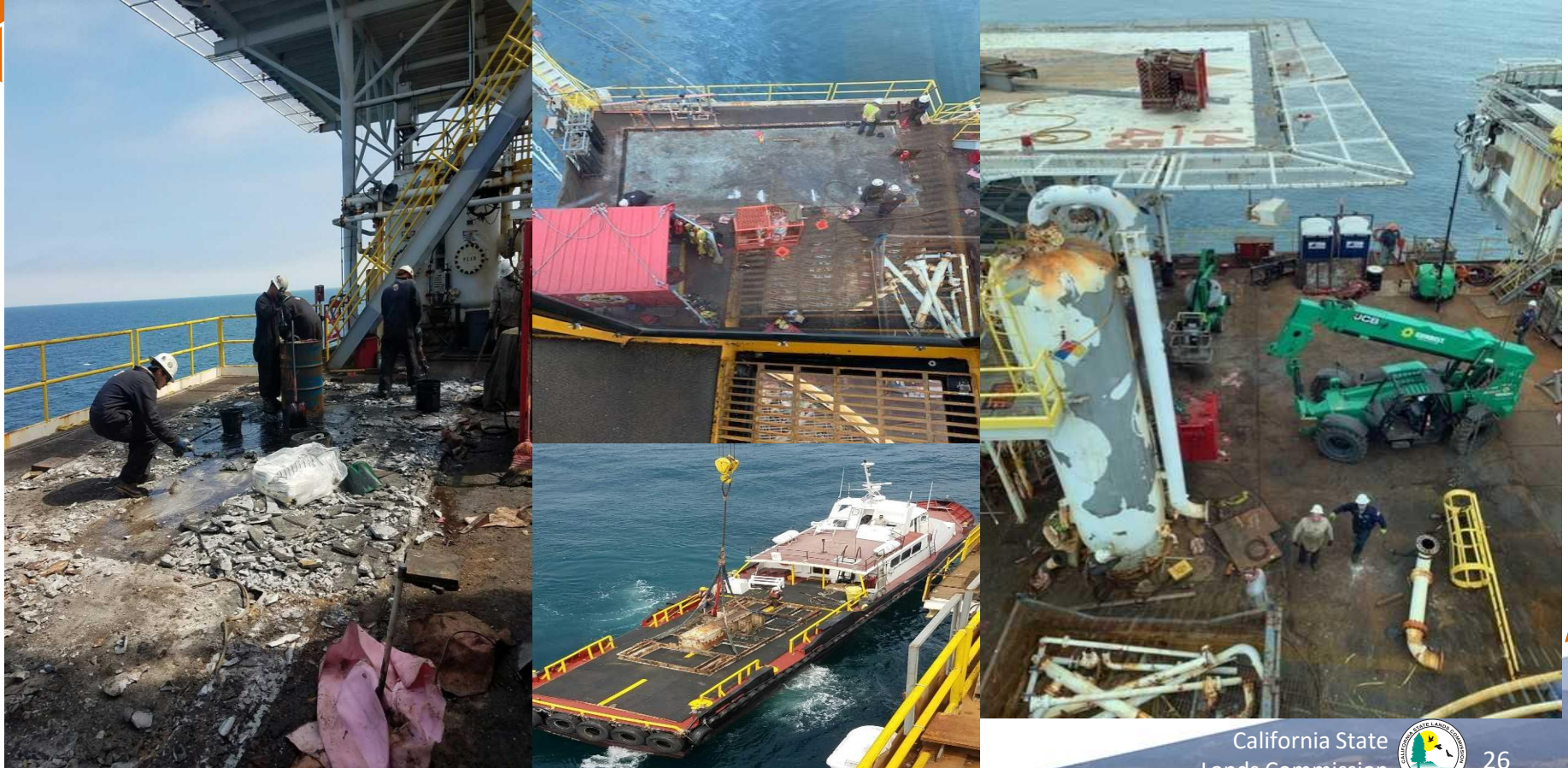
Platform Holly



Platform Holly: Where We Are

- Since the last town hall meeting:
 - All of the new office buildings (“modules”) were installed and are in use by the teams repairing and refurbishing the Platform equipment
 - Phase One of the replacement of the drilling rig and ancillary equipment has been completed and fully tested
 - Clearing the deck on the east side of the platform is underway and should be completed within the next month
 - Removal of the helideck, large compressors, and ancillary equipment for gas handling
 - Repair and strengthen the deck where that equipment was removed.

Clear Deck Operation



Platform Holly: Where We Are Going

- Following the current work, equipment for the plugging and abandonment of the wells will be transported to the platform and will include:
 - A coil tubing unit
 - A cement pumping unit and cement storage (pod)
 - A wireline unit for well diagnostics
 - A “knuckle boom crane” will be used to more efficiently handle tubular equipment (i.e. the pipe)
- Ongoing operations to make the drill deck safer and more efficient will continue.
- P&A operations are still on track to begin before the end of the year.

Ellwood Onshore Facility (EOF)

No new operations have occurred or are planned at this time. Currently the facility services Platform Holly by supplying it with required utilities and performing minor gas and fluid treatment, as required, to ensure regulatory compliance.

- Litigation update



Coordination with Federal and State Agencies/Tribal Governments/Local Governments/NGOs

- U.S. Coast Guard
- Local Chumash Tribal Governments
- Department of Conservation Division of Oil, Gas, and Geothermal Resources (DOGGR)
- California Department of Fish and Wildlife, Office of Oil Spill Prevention and Response (OSPR)
- California Coastal Commission
- City of Goleta / County of Santa Barbara / Fire & Police Departments / County Emergency Services
- Santa Barbara County Air Pollution Control District
- Bacara Resort, Sandpiper Golf Course, Bluffs Community

Next Steps

- Final Disposition of Platform Holly, Piers 421 and related infrastructure.
Dependent upon:
 - Significant stakeholder and community engagement
 - Environmental Analysis of a Decommissioning Plan pursuant to CEQA (Environmental Impact Report)
 - Funding
- Questions still remain about the final disposition of the Ellwood Onshore Facility based on ongoing litigation.



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THANK YOU & QUESTIONS

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