



Gina  
CC-6-79

**CALIFORNIA COASTAL COMMISSION**  
631 Howard Street, San Francisco 94105 — (415) 543-8555

CONSISTENCY CERTIFICATION SUMMARY AND STAFF RECOMMENDATION



Consistency Certification No. 6  
(Union Oil Company)  
3 Month Period Ends: August 10, 1979  
6 Month Period Ends: Nov. 10, 1979

APPLICANT FOR  
FEDERAL PERMITS:

Union Oil Company

FEDERAL PERMITS FOR WHICH  
COMMISSION CONCURRENCE  
WITH APPLICANT'S CONSISTENCY  
CERTIFICATION IS REQUIRED:

U.S. Geological Survey Plan of Development  
U.S. Geological Survey Pipeline Right-of-Way  
U.S. Army Corps of Engineers Platform Location  
Permit  
Environmental Protection Agency National Pollution  
Discharge Elimination System Permit

FEDERAL PERMIT  
ACTIVITY DESCRIPTION:

Installation of production platform on OCS  
P-202 in the Hueneme Unit  $4\frac{1}{2}$  miles west of  
Port Hueneme, to produce oil and gas (Exhibit 1)

PUBLIC HEARING AND VOTE:

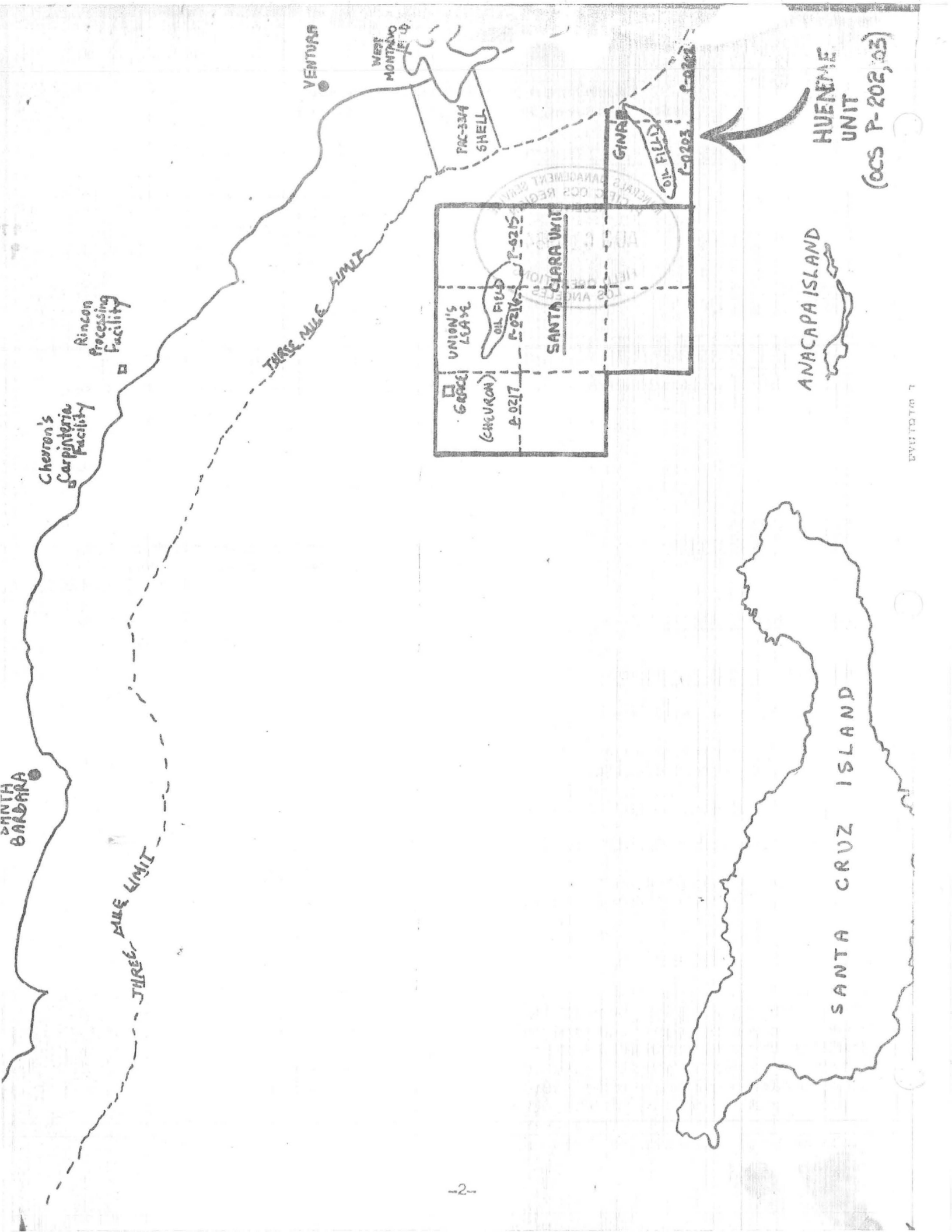
Public hearing and Commission action at the  
November 6-7 meeting in Burlingame

SUBSTANTIVE FILE DOCUMENTS:

1. Plan of Development
2. Environmental Report (Development and Production) for the Hueneme Offshore Platform and Onshore Facility.
3. Supplement to Environmental Report
4. Consistency Certification, Findings and Assessments
5. Permit Applications to the U.S. Geological Survey, U.S. Army Corps of Engineers, and Environmental Protection Agency.

SUMMARY AND RECOMMENDATION

Union Oil Company proposes to install a 15-slot platform on the Outer Continental Shelf (OCS)  $4\frac{1}{2}$  miles offshore of Port Hueneme on OCS Parcel 202 (Exhibit 1). Union is also proposing to run two pipelines from the platform to an onshore processing facility it would construct at Mandalay Dunes on the south side of Southern California Edison's generating plant. Expected production from the Hueneme field on OCS P-202 is 6000 barrels of oil per day (BOD). The onshore processing facility will have the capability of processing 36,000 BOD, sized to include about 20,000 BOD of production from Union's lease in the Santa Clara Unit and possible production from Shell's state lease on the Montalvo field, adjacent to the Hueneme field (Exhibit 1).



Union has applied for several federal permits for installation and operation of the offshore platform. Each of these permit activities requires consistency concurrence of the Coastal Commission. The portions of the project in the coastal zone, a segment of the offshore pipeline and the proposed onshore processing facility, do not require federal permits and therefore are not subject to consistency review by the Commission. Since these portions of the project would be located in the coastal zone, a coastal permit and review by the South Central Regional Commission will be required.

Staff recommends that the Commission concur with the finding by Union that those activities requiring federal permits in this project, the installation and operation of the offshore platform, and installation of the portion of the pipeline on the OCS, are consistent with California's Coastal Management Program. Staff further recommends no action be taken on the part of the project subject to subsequent Regional Commission permit review.

#### STAFF NOTE - CONSISTENCY

Regulations issued pursuant to the federal Coastal Zone Management Act require that the Coastal Commission review an OCS Plan of Development (POD) for consistency with the state's Coastal Management Program. Review includes "all Federal license and permit activities described in detail in OCS plans and which affect the coastal zone", such as platform placement, drilling operations, pipeline installation, and construction of facilities associated with the POD such as a processing facility in the coastal zone.

Where associated facilities do not require federal permits, but are subject to permit review by the Regional Coastal Commission, such as the onshore processing facility proposed by Union in this POD, the applicant must submit its permit application to the Regional Commission at the same time that it submits its Plan of Development to the U.S. Geological Survey (USGS) and Coastal Commission. Action taken by the Coastal Commission in consistency review should not bind the Regional Commission's later action on the permit for development in the coastal zone.

The Union POD for the Hueneme Unit is the first POD to come before the Commission for consistency review. Information used in this consistency recommendation was derived from data submitted to both the U.S. Geological Survey and to staff in response to specific questions and concerns raised by staff. An Environmental Impact Report is currently in preparation for the proposed onshore facility under the lead of the City of Oxnard. The Regional Commission will not review the permit application until this EIR is completed and certified by Oxnard.

#### STAFF RECOMMENDATION

Staff recommends the Commission adopt the following resolution:

##### I. RESOLUTION

The Commission concurs with the finding by Union Oil Company that that portion of its proposed project for the Hueneme Unit located on OCS Parcel 202, installation and operation of an oil and gas production platform and segment of pipeline, is consistent with California's Coastal Management Program. The Commission takes no action on those parts of the project not requiring federal permits but which are subject to subsequent permit review by the South Central Coast Regional Commission,

that is the proposed onshore processing facility at Mandalay Dunes and the coastal zone portion of the offshore pipeline from the platform to the processing facility.

## II. FINDINGS

### A. Project Description

OCS Facilities. Union is proposing to install a 15 slot offshore oil platform in 95 feet of water on OCS Parcel 202 (Exhibits 1 and 2) in its Hueneme Unit, the first platform in the Unit. Peak production from this field is expected to be about 64,500 barrels of oil per day (BOD). Ultimate recovery over an 18 year period is projected at 9.5 million barrels of oil and 1.7 billion cubic feet of gas. The crude produced from the Hueneme field is low gravity (viscous), 15.5° API. Union's POD includes transporting the crude oil and gas from the platform site to an onshore processing facility via a 6.5 mile pipeline. A second pipeline also would be installed to carry separated water back to the platform from the processing facility. No dredging would be required to lay the pipelines. Because Union is proposing to run a power cable from the onshore metering station to the platform, no generators would be needed on the platform itself for power supply, thus substantially reducing air pollutant emissions.

The 63 foot high offshore platform would be located approximately 4.5 miles west of Port Hueneme. Union has agreed (Exhibit 3) to provide 1500 feet of open ocean boom, an ocean skimmer, and 15 bales of sorbent material on the platform. Also, Union has agreed to retain one slot on the platform for possible use by Shell Oil Company in developing its lease on an adjacent parcel in State waters.

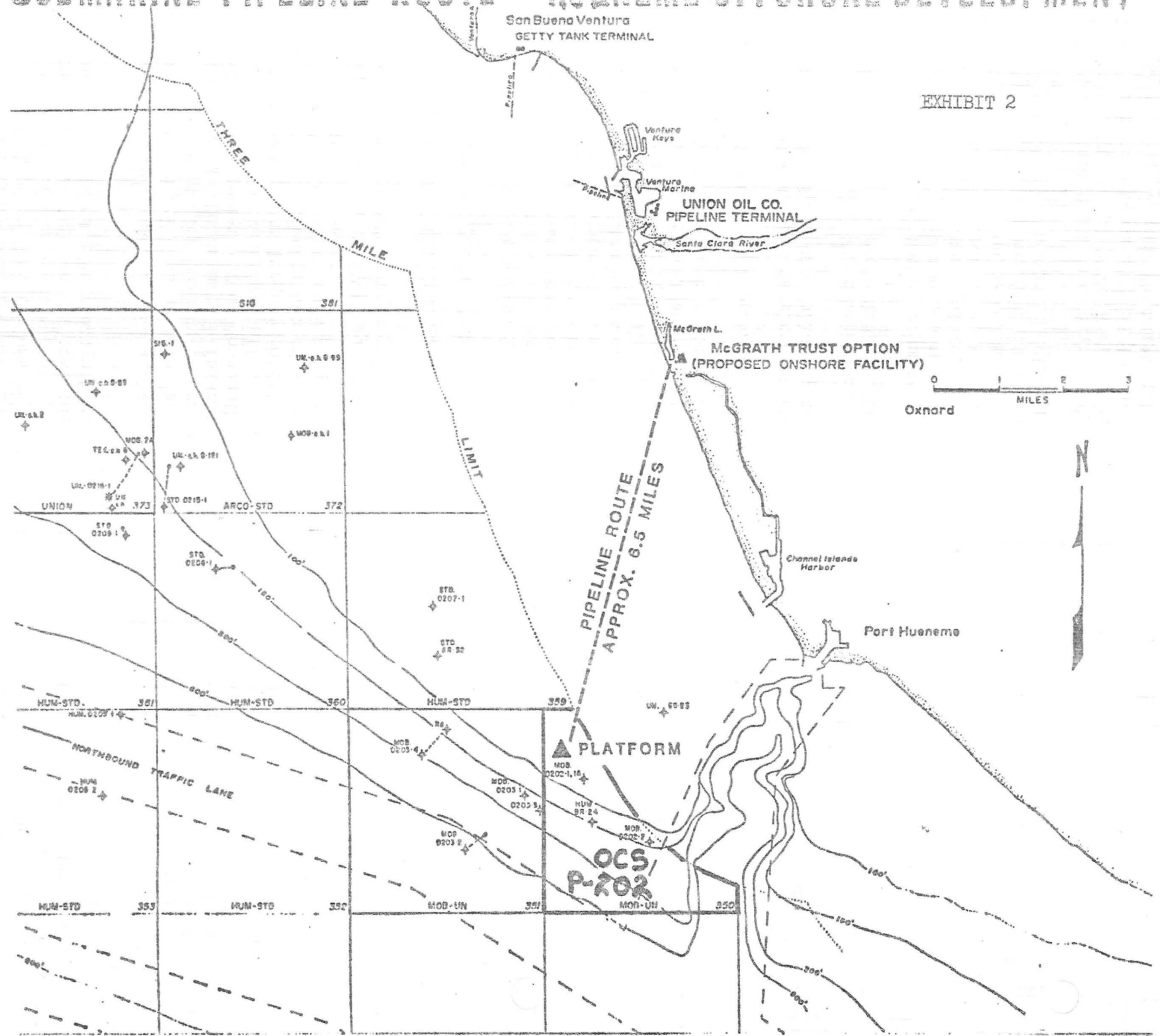
Coastal Zone Facilities. Facilities within the coastal zone that Union is proposing to construct include two pipelines from the platform (see above) and an onshore processing facility capable of processing 36,000 BOD which could be expanded to 80,000 BOD within the 1.8 acre site. The onshore facility is sited adjacent to Southern California Edison's power plant at Mandalay Dunes near the City of Oxnard (Exhibit 4). The site is on the south side of the power plant and on the corner of a parcel of land the County of Ventura is planning to develop as a park with the aid of Union. The processing facility would contain two 3000 barrel oil storage tanks and would be near existing oil and gas transmission lines to gas distribution points and oil refineries in the Los Angeles area.

Union has sized the processing facility to handle not only the 6000 BOD from the Hueneme field, but also expected production of 18-20,000 BOD from a field in the Santa Clara Unit (Exhibit 1), 12 miles to the northwest. Production from the state lease owned by Shell, PRC 3314 (Exhibit 1), could also be accommodated in the processing facility. Union has not yet submitted its POD to the U.S. Geological Survey for the platform in the Santa Clara Unit that it wants to hook into this processing facility and, therefore, it is not the subject of this consistency review.

### B. Analysis - Scope of Consistency Review

The Commission concurrs in the consistency of that portion of Union's POD concerning the offshore platform and the activities associated with the U.S. Army Corps of Engineers, U.S. Geological Survey, and Environmental Protection Agency

EXHIBIT 2



permits. This finding is based partly on agreement by Union, since receipt of their Consistency Certification and Findings, to: 1) provide one slot on the proposed Platform Gina for use by Shell Oil Company in the event Shell develops its Montalvo Field on an adjacent state lease (Exhibit 1); and 2) provide at the platform site 1500 feet of open ocean boom, one skimmer capable of open ocean use, and 15 bales of sorbent material for oil spill containment and cleanup (Exhibit 3).

The Commission further does not concur at this time with proposed associated facilities in the coastal zone, specifically the offshore pipeline to the City of Oxnard site and the onshore processing facility at the Mandalay Dunes site. These facilities do not require a federal permit and thus are not necessarily subject to consistency review. They do require a coastal permit. Other alternatives than the proposed processing facility appear to be more consistent at this time with Coastal Management Program policies of consolidation and mitigation of adverse environmental effects; two of these alternatives are offshore pipelines directly to Mobil's Rincon processing facility or to Chevron's Platform Grace in the Santa Clara Unit then to Rincon. Analysis in the Environmental Impact Report should be completed on the feasibility of all possible alternatives before consistency with one alternative or another can be determined.

### C. Industrial Development

Section 30260 of the Coastal Act provides that:

Coastal-dependent industrial facilities shall be encouraged to locate or expand within existing sites and shall be permitted reasonable long-term growth where consistent with this division. However, where new or expanded coastal-dependent industrial facilities cannot feasibly be accommodated consistent with other policies of this division, they may nonetheless be permitted in accordance with this section and Sections 30261 and 30262 if (1) alternative locations are infeasible or more environmentally damaging; (2) to do otherwise would adversely affect the public welfare; and (3) adverse environmental effects are mitigated to the maximum extent feasible.

Section 30262 provides:

Oil and gas development shall be permitted in accordance with Section 30260, if the following conditions are met:

- (a) The development is performed safely and consistent with geological conditions of the well site.
- (b) New or expanded facilities related to such development are consolidated, to the maximum extent feasible and legally permissible, unless consolidation will have adverse environmental consequences and will not significantly reduce the number of producing wells, support facilities, or sites required to produce the reservoir economically and with minimal environmental impacts...

Issues raised under the Coastal Act's consolidation and mitigation policies in Sections 30260 and 30262 are: 1) Are the impacts of the platform mitigated to the maximum extent; 2) Should Union provide space on its platform for Shell to drill in the adjacent Montalvo field in state waters, thus eliminating need for an

additional platform; 3) Is the proposed new onshore facility needed or should Union process the oil and gas at other existing processing facilities in the Santa Barbara Channel, such as Mobil's Rincon facility or Chevron's facility at Carpinteria; and 4) Should Union's proposed processing facility be sized to accommodate production from the Santa Clara Unit, 12 miles away, where Chevron is installing pipelines at Carpinteria and Rincon to storage and processing facilities.

1. Union's Platform. No other platforms currently exist in the Hueneme Unit although the offshore oil field extends onto OCS Parcel 203 (Exhibit 1). Also, there are no existing platforms in state leases in the area. Union's proposed Platform Gina would be  $4\frac{1}{2}$  miles from shore at its nearest point and will be 63 feet high, moderate for an offshore platform. Union will paint the platform a neutral color specified by the USGS. Union should size the platform to handle all expected future production from the Hueneme field to eliminate the need for a second platform in the Unit. The platform is  $2\frac{1}{2}$  miles from the Vessel Traffic Separation Scheme and, therefore, does not present a hazard to navigation.

2. Shell Slot. The platform could house a slot earmarked for use by Shell in the event Shell develops its lease on the Montalvo field in state waters (Exhibit 1). Union has agreed to preserve this space for Shell during negotiations with Shell for unitization of some kind.

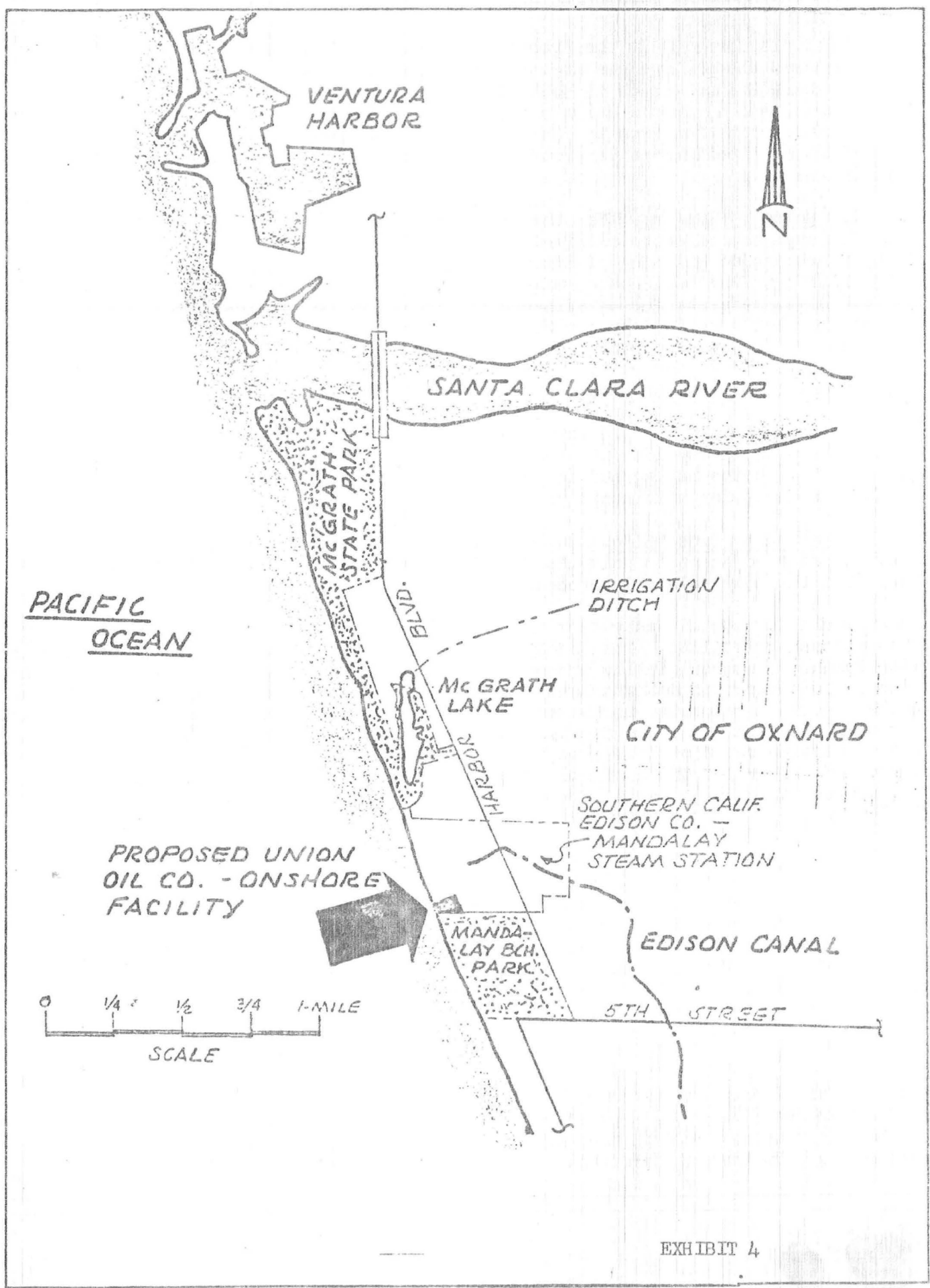
3. Mandalay Dunes Site. Union proposes to locate the onshore processing facility site adjacent to Edison's Mandalay Dunes power plant and to use waste heat from the power plant in processing the oil and gas (Exhibit 4).

Union would develop a County Park that would be adjacent to its proposed site for the processing facility. The County has agreed with this concept and is negotiating with Union. Union originally proposed its site for the north side of the generating plant, a site next to McGrath Lake and State Park, posing problems of damage to the wetland. Union relocated to the south side of the power plant in response to concerns raised by the staff and the County. This presently proposed site is preferable to the original because of less potential damage to the wetland and because of Union's agreement to develop the contiguous County parkland. Two alternative locations for storage and processing could be Mobil's Rincon or Chevron's Carpinteria processing facility.

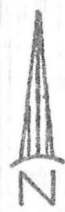
Mobil's facility, about 13 miles up the coast from Mandalay Dunes, has about 90,000 BOD processing capacity, 63,000 BOD of which is presently uncommitted, and a pipeline to refineries in the Los Angeles area. Union is a part-owner in the Rincon facility. Using the Rincon facility would require Union to install either a 19-mile pipeline from Platform Gina directly to Rincon, or a 24-mile pipeline routed first to Platform A in the Dos Cuadras field. A new landfill may be required for the pipeline, depending on which route is selected. Because of the heavy crude from the Hueneme field, 15.5° API, pumping the crude through 19 or more miles would require additional energy and cost, as Union points out.

The Commission finds that the Coastal Act policy of protecting against the spillage of crude oil is not furthered by use of long lengths of undersea pipeline which can rupture or leak; however, a pipeline to Rincon, in lieu of a new processing facility at Mandalay Dunes, would further the Coastal Act policy of consolidation of facilities. Further study of this alternative is needed.





VENTURA HARBOR



SANTA CLARA RIVER

McGRATH STATE PARK

PACIFIC OCEAN

IRRIGATION DITCH

BLVD

Mc GRATH LAKE

CITY OF OXNARD

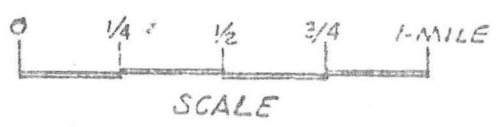
HARBOR

SOUTHERN CALIF. EDISON CO. - MANDALAY STEAM STATION

PROPOSED UNION OIL CO. - ONSHORE FACILITY

MANDALAY BCH. PARK

EDISON CANAL



5TH STREET

Chevron's Carpinteria Facility. An advantage of using Chevron's facilities is that the pipeline could be hooked up to Platform Grace in the Santa Clara Unit (Exhibit 1), requiring 12 miles of line from the Hueneme Unit; the recently permitted offshore pipeline from Grace to Carpinteria, sized to handle production from the Santa Clara Unit, could be used. The onshore pipeline running from Carpinteria to Rincon, recently approved by the Coastal Commission, also could be used. Disadvantages of this alternative are the need for a long subsea pipeline, and limited processing capacity at Carpinteria, about 25,000 BOD. Existing storage capacity of 217,000 bbl at Carpinteria could be used and the crude piped to Rincon for processing, then to Los Angeles refineries, through existing lines. In conclusion, the Commission finds that this alternative, although not meeting the Coastal Act policy of protecting against the spillage of crude oil because of the long subsea pipeline, does further the policy of consolidation because of elimination of need for the new facility. Further study of this alternative is needed.

Processing at Mobil's or Chevron's facility are just two of the possible alternatives to the proposed onshore facility at Mandalay Dunes. Other alternatives are being studied in the Environmental Impact Report and will be reviewed by the Regional Commission as part of the permit application. The Commission finds that it is not appropriate at this time for the Coastal Commission to select one alternative in consistency review among several in view of upcoming permit review by the Regional Commission.

4. Sizing of Facility to Accommodate Future Production in Santa Clara Unit. Originally, Union proposed a physically smaller onshore facility that would be capable of handling production from the Hueneme Unit and Shell's lease. Additional heater treaters and other processing-related equipment were added and the size of the facility enlarged to be able to process crude from a proposed platform in the Santa Clara Unit, 12 miles away (Exhibit 1). Production from the Santa Clara Unit lease is expected to be 18-20,000 BOD. Union is proposing to run a pipeline from the Santa Clara Unit lease to the Mandalay Dunes processing facility rather than hook up with Chevron's Platform Grace on an adjacent lease on the OCS. Proposed storage facilities at the Mandalay Dunes site have a 6000 bbl capacity, and would probably have to be expanded to handle the 18,000-20,000 BOD from the Santa Clara Unit.

Union sees many problems with transporting crude from Platform Gina to alternative processing locations such as Platform Grace, Platform A in the Dos-Cuadras Unit, and Mobil Rincon because of the length of subsea pipeline, extra energy and costs associated with pumping crude long distances through water, and other engineering problems. In Union's words, "the spill risk for a subsea pipeline increases proportional to the pipeline length" (Consistency Determination, p. 17). For these same reasons, the Commission finds that Union's proposal to bring production from the Santa Clara Unit lease to the Mandalay Dunes processing facility does not protect against the spillage of crude oil or consolidate with existing facilities. Although it is true that the crude from the Santa Clara Unit is expected to be lighter than that in the Hueneme Unit, many of the disadvantages of using a 12 mile subsea pipeline, when other alternatives are available, point to the impracticality of this proposal.

D. Marine and Coastal Resource Protection

Section 30230 of the Coastal Act provides:

Marine resources shall be maintained, enhanced, and, where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

Section 30232 of the Act provides:

Protection against the spillage of crude oil, gas, petroleum products, or hazardous substances shall be provided in relation to any development or transportation of such materials. Effective containment and clean-up facilities and procedures shall be provided for accidental spills that do occur.

The proposed platform site is not situated within a marine sanctuary or preserve, although it is about 8 miles from a proposed Marine Sanctuary in the Channel Islands. To protect marine life in the eastern Channel area, the Commission finds that Union should keep the following oil spill prevention and cleanup equipment at the platform site at all times: 1500 feet of ocean boom, a skimmer capable of open ocean use and 15 bales of sorbent material. Union has agreed to include such equipment on Platform Gina (Exhibit 3). Blowout prevention equipment specified in U.S. Geological Survey OCS Operations Orders will be installed. Proposed transportation of the crude from the platform by pipeline to an onshore processing facility, and then transportation by pipeline of the treated crude to Los Angeles refineries, eliminates need for any tanker transport and thereby significantly reduces the risk of oil spill from transportation of the oil. Also, the platform site is 2½ miles from the Vessel Traffic Separation Scheme, reducing potential for ramblings or collisions with vessels that could result in oil spills. In conclusion, the Commission finds the activities described in the POD consistent with Coastal Act policies on marine and coastal resource protection.

E. Environmentally Sensitive Habitat Areas

The proposed platform is not located within an environmentally sensitive habitat. The exact location of the pipeline landfall, if needed, will be determined by the Regional Commission in its permit review. The onshore facility, formerly proposed for siting next to McGrath Lake, was relocated by Union to the south side of the Edison power plant, away from McGrath State Park and its wetland area. The present site is industrially developed on the north, is proposed for park development, with Union's help, on the south, and is a sparsely vegetated dune habitat on the east that has been disturbed in the past by onshore oil development. In conclusion, the Commission finds that the proposed project does not pose a threat to any environmentally sensitive habitat areas and is, therefore, consistent with policies of the Coastal Act.

F. Air Quality Consistency

The proposed platform will not contain any generators and will be supplied by a power cable running from shore. Therefore, emissions from the platform are expected to be negligible. The Ventura County Air Pollution Control District has found this project consistent with their air quality maintenance program (Exhibit 5) and the Commission, therefore, finds this aspect of the POD consistent with California's Coastal Management Program.

G. Visual Compatibility

Section 30251 of the Coastal Act provides that:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views ... to be visually compatible with the character of surrounding areas...

#4 - Extra slot for Shell Oil

Platform Gina is about  $4\frac{1}{2}$  miles from Port Hueneme, at its closest point to shore. It will be 63 feet high, and will be painted a neutral color to minimize the visual impact. A slot will be provided on the platform for Shell Oil to produce from an adjacent state lease, should negotiations be successful between Union, Shell, and the State Lands Commission. This would eliminate the need for an additional platform of Shell, reducing the visual impact on the coast line. In conclusion, the Commission finds the proposed project is consistent with the California Coastal Management Program policies for mitigation of visual impact.

H. Multiple Permit Review

Both the federal and Coastal Commission Consistency Review regulations encourage an applicant to submit simultaneously related applications to other federal agencies for the same project. Union has submitted its Corps of Engineers permit for platform placement and pipeline installation, its application to the U.S. Geological Survey for a pipeline right-of-way, and an application to the Environmental Protection Agency for an NPDES permit. For all the reasons stated above, the Commission concurs in the consistency of these permit activities as they relate to the proposed POD.

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CALIFORNIA  
COASTAL COMMISSION

Union Oil Company of California Division, Western Region

Union Oil Company of California  
Southern California District  
2323 Knoll Drive, P.O. Box 6176, Ventura, California 93003  
Telephone: (805) 659-0130

UNION

K.J. Robertson  
District Land Manager

October 18, 1979

Mari L. Gottdiener  
OCS Coordinator  
California Coastal Commission  
631 Howard St. - 4th floor,  
San Francisco, CA 94105

Re: HUENEME FIELD OFFSHORE  
OCS P-0202 and OCS P-0203  
Consistency Certification

Dear Mari:

Pursuant to your request, please be advised that Union will concur with Staff's recommendation to maintain the following on Platform Gina:

1. 1500' of open ocean boom.
2. A skimmer capable of open ocean use.
3. 15 bales of sorbent material.

Union has conferred with the USGS regarding this subject and it has acquiesced with Union's concurrence.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA

*J. S. Attebery*

J. S. Attebery

JSA/as

cc: Tom Dunaway  
USGS

Ralph Steele  
City of Oxnard

EXHIBIT 3

ENVIRONMENTAL RESOURCE AGENCY

county of ventura

Air Pollution  
Control District

Jan Bush  
Director

July 12, 1979

Mr. Dorill Wright, Chairman  
California Coastal Commission  
631 Howard Street  
San Francisco, CA 94105



Subject: Union Oil Company OCS Plan of Development Consistency Determination

Dear Mr. Wright:

The Ventura County Air Pollution Control District (VCAPCD) staff has reviewed the report submitted to the California Coastal Commission by the Union Oil Company, together with an application for an Authority to Construct the onshore processing facility submitted to the VCAPCD by Union, in order to determine if the proposed project will be consistent with the requirements of the VCAPCD.

Two issues were examined in making the consistency determination:

1. Is there a substantial likelihood that the proposed equipment can be operated in compliance with the specific emission regulations of the VCAPCD; and
2. Is there a substantial likelihood that the project as a whole could be constructed under the VCAPCD new source review regulation.

On the basis of the information submitted to date, the VCAPCD staff concludes that the equipment proposed by Union Oil for both the onshore and offshore operations can be operated in compliance with the applicable specific emission regulations of the VCAPCD.

The VCAPCD new source review regulation requires that new sources of air pollutants be built using the best available air pollution technology (BACT) and that the increased emissions of all pollutants be accommodated within the emission allocation system or the emission offset policy. The Union Oil Company has committed to installing BACT on all equipment. The VCAPCD staff has not yet resolved with Union Oil Company what constitutes BACT for the heater treaters at the onshore facility. We are confident, however, that an agreement can be negotiated with Union prior to construction of the project.

On the basis of the information submitted to date, the proposed project falls below the VCAPCD new source review regulation cutoff limits for particulate matter, sulfur dioxide and carbon monoxide emissions and, hence, no emission tradeoffs are required. Moreover, the VCAPCD staff concludes that there is a substantial likelihood that the reactive hydrocarbon and nitrogen oxide emissions anticipated from both the offshore and onshore equipment can be accommodated by the emission allocation system in the new source review rule.

Mr. Dorill Wright, Chairman  
July 12, 1979  
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The VCAPCD staff concludes, therefore, on the basis of the information available to date, that the project proposed by the Union Oil Company will be consistent with the requirements of the VCAPCD.

Sincerely,

ENVIRONMENTAL RESOURCE AGENCY

  
Jan Bush, Director  
Air Pollution Control District

EXHIBIT 5

JB:lw/a589

