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CALIFORNIA COASTAL COMMISSION
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DUNAWAY
KLEPPER
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**FILE: UNION'S
SCU (P-0216) PO**

CONSISTENCY CERTIFICATION SUMMARY AND STAFF RECOMMENDATION

NOTED ADAMS
NOTED - SCHAMBECK

CC-6-80
(Union Oil Company)
3 Month Period Ends: March 26, 1980
6 Month Period Ends: June 26, 1980

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
- U.S. Army Corps of Engineers Pipeline Plan Approval
- Environmental Protection Agency National Pollutant Discharge Elimination System Permit

FEDERAL PERMIT
ACTIVITY DESCRIPTION:

Installation of production platform on OCS P-0216 in the Santa Clara Unit 10 miles west of Oxnard, to produce oil and gas (Exhibit 1)

PUBLIC HEARING AND VOTE:

Public hearing and Commission action at the June 17 - 19 meeting in Los Angeles

SUBSTANTIVE FILE DOCUMENTS:

1. Plan of Development
2. Environmental Report (Development and Production) for the Santa Clara Unit Gilda Platform and Onshore Facility.
3. Supplement to Environmental Report
4. Consistency Certification, Findings and Assessments
5. Permit Application to the U.S. Geological Survey, U.S. Army Corps of Engineers, and Environmental Protection Agency.
6. Letter of Consistency from Ventura County Air Pollution Control District

SUMMARY AND RECOMMENDATION

Union Oil Company proposes to install a 90-slot platform on the Outer Continental Shelf (OCS) 10 miles west of Oxnard (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 peak production from the field on OCS P-0216 is 18-20,000 barrels of oil per day (BOD). The onshore processing facility will have the capability of processing 36,000 BOD, sized to include about 6,000 BOD of production from Union's lease in the Hueneme Field 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 Santa Clara Unit is the second 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. A Draft Environmental Impact Report has just been issued analyzing the two Union platforms, in the Santa Clara Unit and Hueneme field, and the proposed onshore facility. The Regional Commission will not review the permit application until this EIR is final and certified by the City of Oxnard. The Commission concurred November 7, 1979 in Union's Consistency Certification for its Plan of Development for the Hueneme field on OCS P-0202 (CC-6-79).

Project Description

OCS Facilities. Union is proposing to install a 90 slot offshore oil platform in 210 feet of water on OCS Parcel 0216 (Exhibits 1 and 2) in the Santa Clara Unit. This is the second platform in the Unit, adjacent to Chevron's Platform Grace on OCS P-0217. Peak production from this field is expected to be about 20,000 barrels of oil per day (BOD). Ultimate recovery over an 18 year period is projected at 43 million barrels of oil and 40 billion cubic feet of gas. The crude produced from this field will vary from 12° to 24° API (fairly viscous). Union's POD includes transporting the crude oil and gas from the platform site to an onshore processing facility via two 9.9 mile pipelines, a 12.75" line for oil and a 10.75" line for gas. A third 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 218 foot high offshore platform would be located approximately 10 miles west of Oxnard. 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 10 slots on the platform for possible use by Chevron USA in developing its lease on the adjacent OCS P-0215.

Coastal Zone Facilities. Facilities within the coastal zone that Union is proposing to construct include three 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 proposed onshore facility would be 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 18-20,000 BOD from the Santa Clara Unit, but also expected production of 6,000 BOD from the Hueneme field (Exhibit 1), 12 miles to the southeast. Production from the state lease owned by Shell, PRC 3314 (Exhibit 1), could also be accommodated in the processing facility.

Environmental Impact Report Process. The City of Oxnard is preparing an EIR on the proposed onshore processing facility at Mandalay Dunes and on Union's two proposed Plans of Development for Platforms Gina and Gilda. The Draft EIR has just been published. The City of Oxnard decided part way through the EIR on Union's Plan of Development for Platform Gina in the Hueneme Field to enlarge the scope of the assessment to include Platform Gilda as well.

Despite numerous recommendations from staff, the Draft EIR includes only a cursory analysis of the two oil processing alternatives. These alternatives are (1) the

use of Mobil's existing processing facility at Rincon to process crude oil from Gina and Gilda; and (2) consolidation of facilities associated with Chevron's Platform Grace on the lease adjacent to Gilda. Platform Grace includes new oil and gas pipelines to Platform Hope to connect with existing lines to the Carpinteria processing facility. These new lines were sized for production from the Santa Clara Unit, including Union's lease on OCS Parcel 0216 where Gilda is proposed.

The Draft EIR dismisses these alternatives because of Union's objections to them. This creates a serious deficiency in the Draft EIR that should be corrected if the document is to be considered adequate under CEQA.

STAFF RECOMMENDATION. Staff recommends the Commission adopt the following resolution:

I. **Concurrence.** The Commission concurs 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 and U.S. Geological Survey. The Commission finds that activities conducted under the Environmental Protection Agency's NPDES permit in this project will have no effect on the coastal zone and therefore do not require consistency review.

II. **Findings and Declarations:** The Commission finds and declares as follows:

A. **Industrial Development** Section 30260 of the Coastal Act provides in part 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...

In addition, Section 30262 provides:

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

...(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...

Union's Platform. Platform Gilda would be the second platform in the Santa Clara Unit, adjacent to Chevron's Platform Grace on OCS Parcel 0217. Chevron also leases a tract on the other side of Union, on OCS P-0215, explored but not yet developed (Exhibits 1,2). Gilda would contain slots for 90 wells, 10 of which will be available for use by Chevron in developing its lease on OCS P-0215. These 10 slots could eliminate the need for a platform on OCS P-0215. The Commission finds that Union's provision of 10 slots in its platform for Chevron meets the consolidation policy of 30262(b) because it could eliminate a platform on OCS P-0215. Therefore it is consistent with the policies stated in Sections 30260 and 30262.

Alternatives. Union plans to build a new processing facility to process the oil and gas from Gina and Gilda and install pipelines from the two platforms to the onshore processing plant. (Exhibit 1) Union could use existing excess processing capacity available at Mobil's Rincon facility and thereby avoid constructing a new coastal facility. Union could also use the new offshore pipeline from Grace to Carpinteria, via Platform Hope, which is sized to handle all production from the Santa Clara Unit. Platform Grace is on the lease adjacent to Gilda, less than 3 miles away.

Neither of the above alternatives have been seriously considered by Union or the City of Oxnard in its EIR. Both the economic and technical feasibility of these alternatives should be fully analyzed in the Final EIR to enable the Coastal Commission to have sufficient information available for its permit review on the proposed onshore processing facility.

B. Protection Against Spillage of Crude Oil. Regardless of the precautions taken against well blowouts and resulting spills of crude oil in the open ocean, there is always a risk of this occurring at a drill site. Such a spill may reach the coast of California and damage marine life, scenic areas, and recreational uses of the coast. Because of this risk, the proposed drilling operations must be consistent with Section 30232 of the Coastal Act, incorporated in Chapter 3 of the Coastal Management Program, which states:

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 cleanup facilities and procedures shall be provided for accidental spills that do occur.

The history of offshore exploration shows that an oil spill blowout during oil and gas exploration is a low probability event. Union has included the oil spill measures which the Coastal Commission has found to be adequate in previous Plans of Exploration and Development Consistency determinations for U.S. Geological Survey Permits to Drill. These measures include additional onsite oil spill containment and cleanup equipment, access to oil spill contractors or cooperatives for large spills, Union's oil spill contingency plan, and the added protection provided by the State and Federal oil spill contingency plans.

The Commission has developed specific standards for onsite oil spill equipment in previous consistency determinations for Plans of Exploration and Development in the Outer Continental Shelf. These standards are the product of consultation with the Department of Fish and Game, oil spill research organizations, and oil spill contractors with direct experience in the field of oil spill containment and cleanup. The following list includes the onsite equipment that the Commission has established as a minimum. This equipment exceeds the equipment previously approved by the U.S. Geological Survey for exploratory drilling and development plans:

- 1) 1500 feet of open ocean oil spill containment boom;
- 2) an oil skimming or recovery device capable of open ocean use;
- 3) oil sorbent material capable of containing 15 barrels of oil; a boat capable of deploying this equipment onsite or within 15 minutes of the drillsite.

The equipment specified by Union in the Plan of Development cannot assure protection of marine resources under Section 30230 nor can it prove effective containment and cleanup as required by Section 30232. Under adverse weather conditions such as high wind and waves, oil spill equipment is not effective in containing oil spills. Section 30260 states that oil and gas development may nonetheless be permitted even when not consistent with other Coastal Act policies if, among other things, adverse environmental effects are mitigated to the maximum extent feasible. The state-of-the-art in oil spill control technology is a factor to consider in reaching a feasibility determination.

The Commission finds that the oil spill containment and cleanup equipment as provided in Union's Plan of Development and this consistency determination provides maximum feasible mitigation at this time and therefore concurs with Union's consistency certification.

Concurrence by the Commission, however, is not an indication of satisfaction with the degree of protection afforded coastal resources by the oil spill containment and cleanup equipment referenced in Union's Plan of Development. Therefore, the Commission plans to conduct studies of existing oil spill equipment and cleanup capabilities along the California coast. Such studies may indicate the need to upgrade and increase standards for both onsite and onshore oil spill cleanup and containment capabilities. Such findings will be used in consistency determinations in the future.

C. Navigation. Section 30262 of the Coastal Act provides in part:

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

- ...(d) Platforms or islands will not be sited where a substantial hazard to vessel traffic might result from the facility or related operations, determined in consultation with the United States Coast Guard and the Army Corps of Engineers...

The Commission has stated in past policy decisions and consistency reviews that no platforms should be located in a Vessel Traffic Separation Scheme or within 500 meters of the VTSS to minimize the risks of collision between the platform and vessel traffic. The proposed platform would be located approximately 3½ miles from the VTSS in the Santa Barbara Channel, thus posing no significant hazard to navigation. (Exhibit 2)

The Commission therefore finds that Union's proposal to install a platform and pipelines on OCS P-0216 would be consistent with the policies of the Coastal Management Program.

D. Air Quality Consistency. Section 30253 of the Coastal Act provides in part:

New development shall:

- ...(3) Be consistent with requirements imposed by an air-pollution control district or the State Air Resources Control Board as to each particular development.

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The proposed platform will not contain any generators and will be supplied by a power cable running from shore. Emissions from the platform, therefore, 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). The Commission, therefore finds this aspect of the Plan of Development consistent with California's Coastal Management Program.

E. National Pollutant Discharge Elimination System Permit. (NPDES). During development drilling of the 90 wells on this platform over a 4-year period, treated sewage, treated waste water, drilling muds and drill cuttings will be discharged from the platform into surrounding waters. Review of existing studies on the effects of drill muds and cuttings on the environment, including a recent study by the State Lands Commission, indicates that these discharges have neither a significant beneficial nor significant deleterious effect. The resulting accumulation of muds and cuttings over this period could cover up to 75 acres under the platform but with a very slow rate of accretion. Some benthic communities located directly under the platform will be smothered but more mobile fauna can accommodate by recolonizing. The plumes from the discharges and traces of pollutants travel a maximum of 1000 meters in measurable quantities from the point of discharge. Because the platform will be located five miles from the coastal zone's 3-mile limit, the Commission finds that these discharges will have no effect on the coastal zone. Therefore, no consistency review of this NPDES permit is necessary. *

F. 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 application to the Environmental Protection Agency for an NPDES permit. For all of the reasons stated above, the Commission concurs in the consistency of the USGS and Corps permit activities as they relate to the proposed POD and makes no consistency review of the NPDES permit.

* 75 acres is about
1,800' square or $\frac{1}{3}$
mile square.