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Review
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K. H. H. H.
FILE: SANTA Clara Unit, POE



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

CONSISTENCY CERTIFICATION STAFF RECOMMENDATION

Consistency Certification No. CC-7-80
(Chevron USA)
3 Month Period Ends: July 18, 1980
6 Month Period Ends: October 18, 1980

APPLICANT FOR FEDERAL PERMITS:

Chevron USA, Inc.

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

U.S. Geological Survey Exploratory Well Drilling Permit; OCS Exploration Plan

FEDERAL PERMIT ACTIVITY LOCATION:

On the Outer Continental Shelf on OCS Parcel 0205 in the Santa Clara Unit in the Santa Barbara Channel approximately 5.7 nautical miles north of Anacapa Island and about 12 miles southwest of the City of Ventura. (Exhibits 1,2)

FEDERAL PERMIT ACTIVITY DESCRIPTION:

Drilling one well on OCS lease Parcel 0205 to explore for oil and gas from an anchored drillship, the Glomar Coral Sea.

PUBLIC HEARING AND VOTE:

Public hearing and possible action at the Commission's August 19 - 21 meeting in Marina del Rey

SUBSTANTIVE FILE DOCUMENTS:

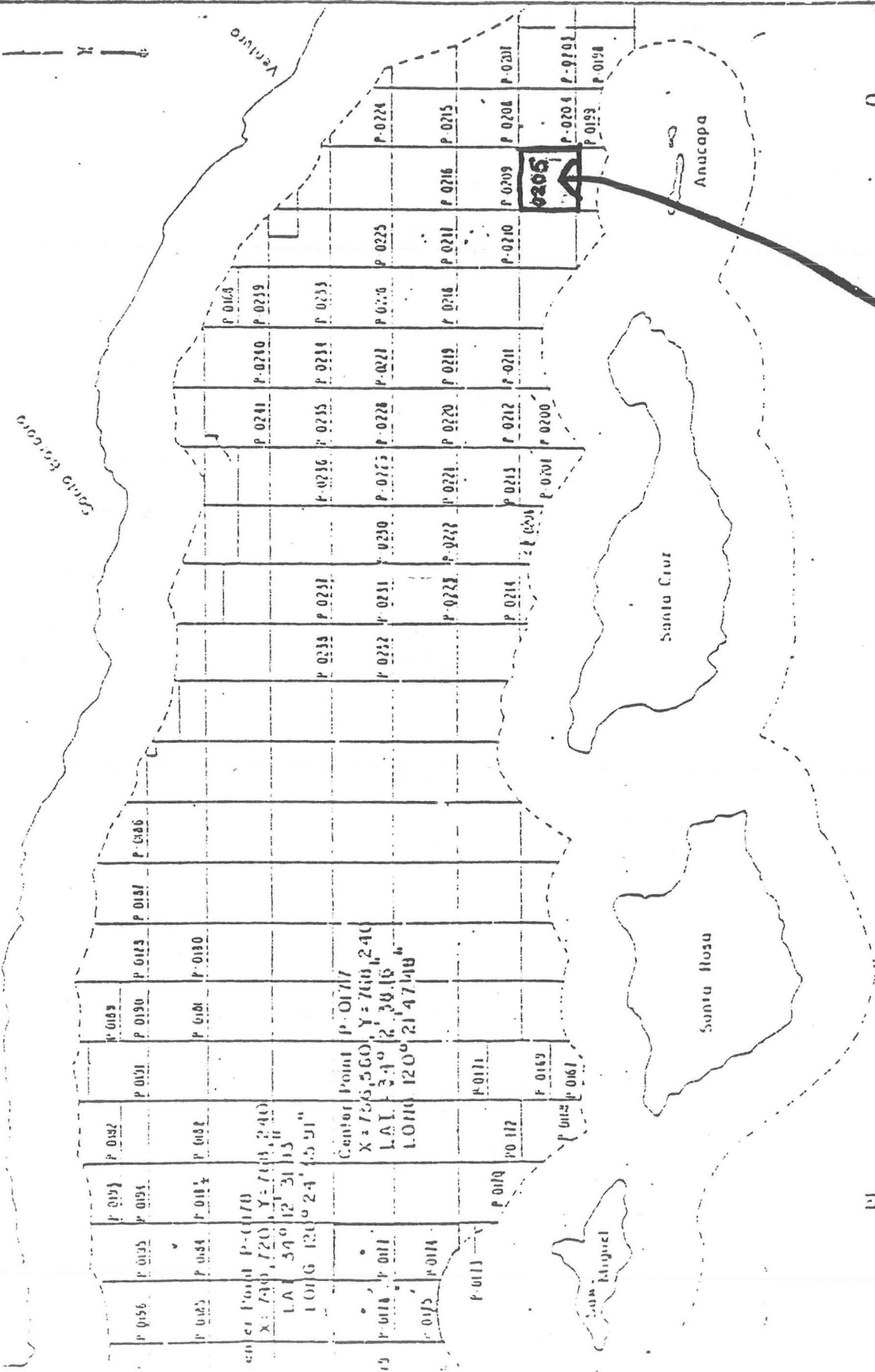
1. Chevron Environmental Report (Exploration) for proposed exploratory well P-0205-3.
2. Chevron Exploration Plan for Well P-0205-3.
3. Environmental Assessment for Chevron U.S.A. Inc. proposal for OCS P-0205-3.
4. Consistency Certification for proposed Plan of Exploration for well P-0205-3.
5. U.S. Army Corps of Engineers Permit to Conduct Exploratory Drilling.
6. Coast Guard Letter of Approval.
7. Staff Summary.

STAFF NOTES:

Under regulations which implement the Federal Coastal Zone Management Act, the United States Geological Survey, the Environmental Protection Agency, and the Corps of Engineers cannot grant a permit for any activity described in an Outer Continental Shelf (OCS) Plan of Exploration until the Coastal Commission concurs with a certification by the oil company applicant that the activity is consistent with the California Coastal Management Program (CCMP) or determines that the activity has no effect on the coastal zone.



LOCATION MAP



Site of Proposed Exploratory Well on OCS P-0205

SANTA BARBARA CHANNEL



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Purpose of Project. Chevron is proposing to drill one exploratory well on OCS P-0205 to obtain information on the size and extent of an oil field that has been discovered in previous exploratory well drillings, the Sockeye Field. (Exhibit 3). The information will also be used to determine the size and design of a platform Chevron is planning to install to develop the Sockeye Field. Chevron does not believe that it has sufficient data on the extent of the southern side of the Sockeye Field, the portion extending toward Anacapa Island, but that it does have sufficient information on the rest of the field to proceed with development and production plans for at least part of the field.

Applicant's Consistency Certification and Findings. Chevron has submitted a lengthy consistency certification which includes, in part:

"The proposed activities described in detail in the accompanying Exploration Plan comply with California's Coastal Management Program and will be conducted in a manner consistent with such program."

"The only policies of the CCMP which might relate to the proposed activity are contained in Sections 30230, 30232, and 30240. No other policies of the CCMP are relevant to the proposed permitted activity and, therefore, this statement in support of Consistency Certification addresses only those sections which are discussed below."

The rest of the Consistency Certification is attached as Exhibit 5.

STAFF RECOMMENDATION

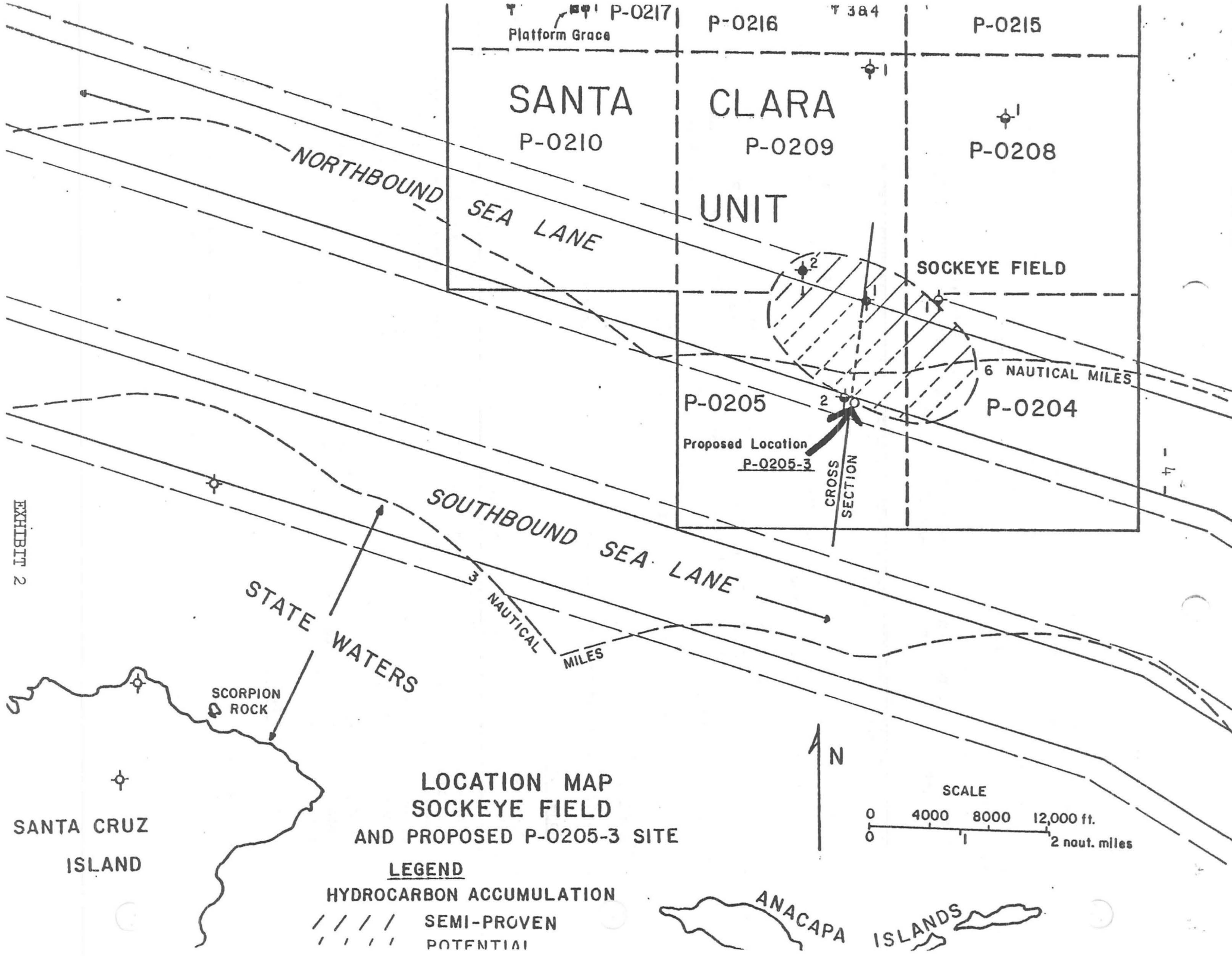
The staff recommends that the Commission adopt the following resolution:

I. Objection

The Commission hereby objects to the Consistency Certification made by Chevron USA, Inc., because Chevron's Plan of Exploration does not meet the policies and objectives of the California Coastal Management Program (CCMP) and therefore is inconsistent with the CCMP. Specifically, the Commission finds that Chevron's Plan of Exploration fails to meet the requirements of Sections 30230, 30232, 30240, 30260 and 30262 of the California Coastal Act, a portion of the CCMP. The Findings and Declarations that follow explain in detail what effects this proposed activity would have on the coastal zone, how the activity is inconsistent with the specific mandatory provisions of the CCMP, and what alternative measures exist for Chevron to achieve its purpose of developing the oil field in a manner consistent with the CCMP. Chevron has the right to appeal this objection to the Secretary of Commerce on the grounds described in 15 CFR Part 930, Subpart H.

II. Findings and Declarations

A. Project Description. Chevron USA, Inc. proposes to drill one exploratory well in the Santa Barbara Channel, 5.7 nautical miles north of Anacapa Island and about 12 miles southwest of the City of Ventura. (Exhibits 1,2) The proposed well would be located in federal waters on OCS Parcel 0205 in the Santa Clara Unit. Drilling time would be 60 - 90 days, including testing and abandonment procedures. Water depth at the proposed site is 770 feet.



P-0217
Platform Grace

P-0216

P-0215

SANTA
P-0210

CLARA
P-0209

P-0208

NORTHBOUND
SEA LANE

UNIT

SOCKEYE FIELD

6 NAUTICAL MILES

P-0205

P-0204

Proposed Location
P-0205-3

CROSS
SECTION

EXHIBIT 2

SOUTHBOUND SEA LANE

3 NAUTICAL
MILES

STATE WATERS

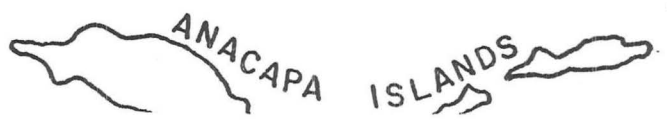
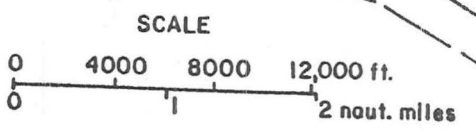
SCORPION
ROCK

SANTA CRUZ
ISLAND

LOCATION MAP
SOCKEYE FIELD
AND PROPOSED P-0205-3 SITE

LEGEND

- HYDROCARBON ACCUMULATION
- ////// SEMI-PROVEN
- ////// POTENTIAL



SOUTH

NORTH

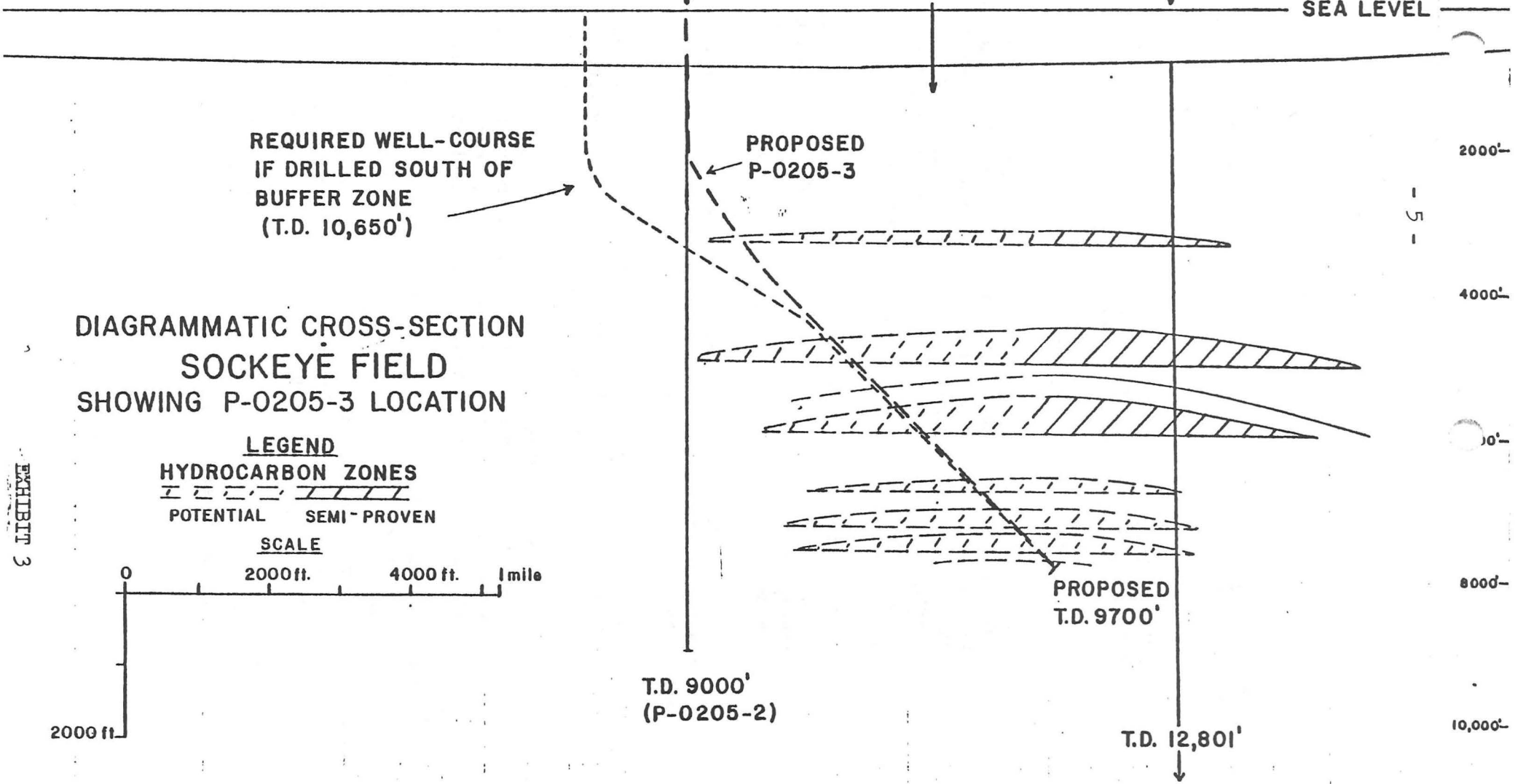
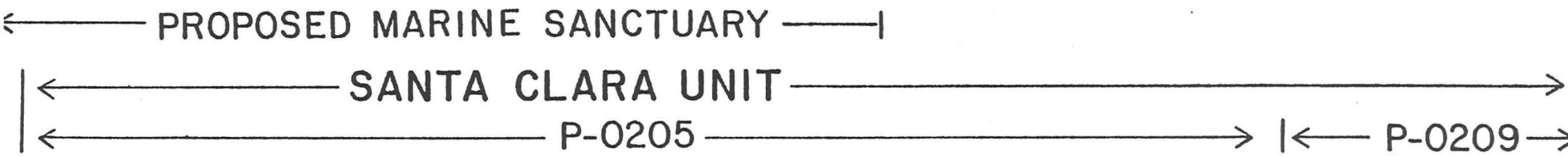


EXHIBIT 3

Two wells have previously been drilled on OCS P-0205 by Exxon. Chevron has drilled two other wells on adjacent tracts O204 and O209, under which the oil field extends. This fifth well would define the limits of one side of the oil field discovered in the drilling of the earlier wells, the Sockeye Field. (Exhibit 3) Chevron states that if significant hydrocarbons are found in the drilling of this well, probably no more exploratory wells will be drilled and a Plan of Development would be submitted.

B. Marine and Coastal Resources. The Commission finds that the proposed exploratory drilling activity is not consistent with the policies in the CCMP to protect marine resources. The importance of protecting marine resources in general, and from oil spills and other hazardous materials in particular, is emphasized in Sections 30230 and 30232 of the Act, which provide:

30230. 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.

30232. 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.

In addition to policies which require maintenance of the general health of marine and coastal waters, the Act mandates greater care when development is proposed adjacent to environmentally sensitive habitat areas:

30240. (a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on such resources shall be allowed within such areas.

(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade such areas and shall be compatible with the continuance of such habitat areas.

The Staff Summary for this project, presented at the July 22, 1980 Commission meeting in San Diego, details the resources found on and around Anacapa Island, particularly the brown pelican. The proposed site is within 5.7 nautical miles of the Anacapa Island, the only stable breeding colony in California of the endangered brown pelican. The State has designated the waters surrounding the islands as a Marine Life Refuge, Oil and Gas Sanctuary, and Areas of Special Biological Significance. The 6-mile area around the islands is part of the proposed federal Santa Barbara Channel Islands Marine Sanctuary and Anacapa Island was recently named part of the new Channel Islands National Park. The islands and the surrounding waters are clearly an environmentally sensitive area. An oil spill

from Chevron's exploratory drilling could occur, either directly from the drilling or from collision between a passing tanker and the drillship. If the spill does occur, it could have both direct or primary effects such as pelican oiling and subsequent debilitation and death, as well as indirect or secondary effects such as disruption of the pelican's food supply. Although the risk of a spill from the exploratory operations themselves is very small, the risk of a major spill is increased by locating the drillship less than 500 yards from the north-bound shipping lane of the Vessel Traffic Separation Scheme. (See discussion under Oil Spill Risks from Vessel Collisions later.)

Any attempt at oil spill cleanup near Anacapa during the breeding season, from December through late August, could severely disrupt the colony because of the known sensitivity of pelicans to disturbance on their rookeries.

During the late summer and autumn months, pelican chicks "fledge", or learn to fly and feed themselves. During this period, the fledglings spend much of their time close to the islands, sitting and feeding in the waters surrounding the islands. Any spill which did occur could devastate the fledgling population that year. Impacts of spills which are still disputed are 1) whether adult pelicans actively avoid oil spills, and 2) whether adult pelicans would be oiled and subsequently killed in the event of a large spill near Anacapa.

Because of the risks of oil spills from this project and the sensitive resources near the proposed drilling site, the Commission finds that the policies of protecting marine and coastal resources are not met by this project. Further, the policy to protect environmentally sensitive areas similarly is thwarted by the risk of a spill in an ocean area chosen by both the state and federal governments as one in need of special protection and designation.

C. Oil Spills. The Commission finds that the proposed exploratory drilling activities would not be consistent with the policies of the CMP to protect against the adverse impacts from the spillage of crude oil. The mandate to the Commission to guard against oil spills is found in Section 30232 of the Coastal Act 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."

Oil Spill Risks and Trajectories. The Staff Summary analyzes the risks of oil spills and the trajectories those spills would follow at different times of the year. As stated previously in this report, the risk of an oil spill from the operation itself is very low but the location of the drillship less than 500 yards from the shipping lane increases this risk. Chevron has indicated that it would drill during autumn and early winter if drilling is permitted. During this period, a potential spill would have a 16.0% chance of reaching Anacapa Island and in the worst case would arrive in 4.6 hours, before additional oil spill equipment could arrive from the mainland to supplement the containment and spill equipment onsite. (Exhibit 4.)

TABLE 9

SEASONAL OIL-SPILL PARAMETERS, SITE P-0205-3

	<u>Summer</u>	<u>Autumn</u>	<u>Winter</u>	<u>Spring</u>
<u>Currents (BLM Polygon 224):</u>				
Direction (toward)/Speed (knots)	109°/0.2	296°/0.2	114°/0.2	115°/0.2
<u>Winds:</u> %/Mean Speed (knots)	%/kn	%/kn	%/kn	%/kn
(From) North	4.4/3.3	10.6/8.4	13.6/11.3	5.3/6.1
NE	3.4/3.5	9.9/8.2	13.0/9.8	5.6/6.6
East	0.7/8.6	1.2/13.4	1.1/15.2	0.9/13.2
SE	4.1/11.1	4.3/13.0	4.8/14.3	5.3/13.3
South	7.7/10.2	7.1/10.6	7.2/11.6	9.6/11.2
SW	9.6/10.6	6.3/9.5	4.9/9.3	3.2/11.4
West	49.8/12.5	30.0/12.7	21.3/14.3	42.4/15.4
NW	14.5/7.1	27.4/9.1	31.5/10.7	18.3/8.6
Calm	5.8/0	2.7/0	2.1/0	3.4/0
% of Time that Trajectory Intercepts Anacapa Is.	4.2%	16.0%	14.3%	6.9%
Average Arrival Time (hours)	23.4	14.7	19.3	10.3
Probability (%) of Impact <10 hr.	0.02%	2.01%	5.44%	0.64%
Worst-Case Arrival Time (hrs.)	7.7	4.6	3.4	4.0
% Occurrence of Worst-Case Condition	0.02%	0.14%	0.16%	0.05%

Oil Spill Containment and Cleanup Equipment. The Commission has developed specific standards for onsite oil spill equipment in previous consistency determinations for Plans of Exploration on 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, and which Chevron has committed to maintain onsite:

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

This equipment represents the first line of defense designed to contain a spill until more containment equipment can be brought from the mainland. It will take Clean Seas approximately 4 hours to initially respond to an oil spill in this drilling area. This first response would include additional equipment of similar size and capacity to that existing on the site of the drilling. It will take 36-48 hours for Clean Seas to respond with their large bottom tension oil containment boom, considered the most effective spill equipment Clean Seas has available. Because oil spill containment and cleanup capabilities are significantly reduced in moderate to high wind and sea conditions, the Commission has found in previous Plans of Exploration that the policies under 30232 are not met. However, because the equipment happens to represent the most up-to-date available, the Commission found that it met requirements under Section 30260 for mitigation to the maximum extent feasible.

The issue in this Plan of Exploration is whether the oil spill containment equipment available, both onsite and at Clean Seas is effective protection under the Coastal Act. Part of this determination encompasses Chevron's ability to maintain oil spill equipment and capability onsite. A recent drill was held by Commission staff and a representative of the Department of Fish and Game to test Chevron's ability to effectively use the onsite oil spill equipment listed above. Chevron did not demonstrate these minimal requirements. Because a boat capable of deploying the boom was not onsite or within 15 minutes and only 1000 feet of boom was deployed.

The Commission finds that the oil spill containment and cleanup equipment that would be available to Chevron in the event of a spill does not meet the policies of Section 30232 because of the inherent limits of the oil spill equipment and response capabilities to protect the California Brown Pelican fledglings around Anacapa Island.

D. Oil Spill Risks from Vessel Collision. The Commission finds that the proposed exploratory drilling activity is not consistent with the policies in the CCMP to protect against the spillage of crude oil and substantial hazards to navigation.

Oil spill risks can be reduced minimizing hazards of collisions between vessels and drilling rigs. The Coastal Act requires that coastal resources be protected against oil spills in Section 30232:

"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."

In addition, Section 30262(d) of the Act states:

"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."

Section 30262 indicates a concern over siting OCS facilities in locations where they will present a substantial hazard to navigation. Placement of drillships in the VTSS or buffer zones could present such a hazard because of the risk of collision and possible spillage of oil from passing tankers.

The proposed exploratory drilling site is within the buffer zone of the northbound sea lane of the Vessel Traffic Separation Scheme in the Santa Barbara Channel. (Exhibit 2) The Coast Guard created the VTSS to reduce the chances of collisions between vessels and OCS structures, and it enforces the VTSS through its review of activities located in the lanes or within 500 yards of the lane in the buffer zone.

As the Staff Summary indicated, the Coast Guard approved the proposed site because the site could not be moved without creating a safety problem in the drilling operations or without being moved further into the VTSS. Staff consulted with the Coast Guard on the issue of the drillship creating a hazard to navigation. The Coast Guard does not deny that the site of the drillship in the buffer zone could create a substantial hazard to navigation safety; it issued a statement of "no objection" due to the temporary nature of the operation, lasting 60-90 days, the use of special lights and bouys on the drillship, and the notification to mariners that the drillship will be so located.

The Commission awarded a Coastal Energy Impact Program Grant to the National Maritime Research Center to conduct a risk assessment in the Santa Barbara Channel. Analyzing the effects on navigation from a drillship located within a buffer zone to a sea lane are part of the risk assessment study. A computer simulated model of the Channel was used to analyze the response of four different ship pilots to two hypothetical drillship locations: one 500 yards from the sea lane and one at the edge of the sea lane itself. The preliminary study results showed that pilots veered away from the drillship when sighting it, causing them to go outside of the lanes in some instances.

The Commission finds that, despite the approval of the Coast Guard, the proposed location of the drillship within the 500 yard buffer to the Vessel Traffic Separation Scheme does present a substantial hazard to navigation and consequently a threat of oil spills from vessel collision. The proposed activity therefore does not meet the policies of Section 30232 in protecting against the spillage of crude oil, nor the policies of Section 30262(d) prohibiting location of OCS structures where they would present a substantial hazard to navigation.

E. Oil and Gas Development Under Section 30260 of the Coastal Act. Although the proposed exploratory plan may be inconsistent with other policies of the Coastal Act, it may nevertheless be permitted if it meets the requirements of Section 30260 which states:

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 Section 30261 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.

The Commission has found that the proposed project does not meet the other policies of the Act protecting marine resources, environmentally sensitive habitats, the protection against the spillage of crude oil, or navigation safety. The issue is then whether the project meets the three criteria under Section 30260. The Commission has established a policy under 30260 for OCS oil and gas leases bought before Lease Sale 48 (which O205 was), permitting the drilling of an exploratory well within 6 miles of the Channel Islands if 1) the well to be drilled is a "delineation" well, that is if all other exploratory wells for the prospect have been drilled to determine if there is in fact a petroleum resource and a well needs to be drilled to determine the extent of the resource; and 2) if adverse environmental effects have been mitigated to the maximum extent feasible without causing an unacceptable risk to the marine and coastal resources. This policy was established in the Commission's concurrence with Chevron's Plan of Exploration for OCS O245, 4.3 nautical miles south of Santa Rosa Island, and in the Commission's recommendation to NOAA on the proposed Marine Sanctuary for the Channel Islands.

Alternative Locations. Chevron has drilled two other wells on the Sockeye oil field prospect on OCS P-0204 and O209 to determine whether oil and gas exist in the southern part of the field shown in Exhibit 3. Exxon, the previous operator on OCS P-0205, drilled two wells for the same purpose on OCS P0205. This fifth well is being proposed to find out how far the Sockeye Field extends toward Anacapa Island. This would qualify as a delineation well.

Chevron has proposed a location for this exploratory well as far south out of the navigation buffer zone as it believes possible under the constraints of directional drilling, or drilling at an angle. However, moving out of the buffer zone and traffic lane has brought the well location within 6 nautical miles of Anacapa Island. Therefore, moving the drilling location further south out of the buffer zone would increase the angle of drilling to a point considered infeasible by Chevron, and unsafe by the State Lands Commission and the U.S. Geological Survey. Moving the site further north away from the 6-mile buffer to the island would put the site closer to or within the Vessel Traffic Separation Scheme. Alternative locations for the site appear either technically infeasible or more environmentally damaging.

Chevron has indicated in its testimony before the Commission at the July 22 public hearing that if it were not allowed to go ahead and drill this exploratory well, it would choose between two alternatives to develop the oil field: 1) erect a small

platform on the northern side of the field to develop at least part of the field with known reserves and geographic limits, and possibly directionally drill from the small platform to the proposed location in this report to determine the size and extent of the southern part of the field, a second platform would be installed later if oil is found to exist in paying quantities on the southern part of the field; 2) erect a large platform, assuming that the southern part of the field contains economic quantities of oil given the exploration information to date. The location of the second platform would depend on whether the Coast Guard moves the sea lanes outside of the Channel.

Chevron could develop a second "platform" as a subsea production system, but drilling would have to be directly over the prospect; therefore, this is a viable option in developing the field only if the sea lanes are moved following Coast Guard studies. Also, the waters are deep in this area, presently beyond the capabilities of a subsea production system. The crude oil is heavy, causing further pumping and production problems from a subsea system.

In conclusion, Chevron's alternative location in drilling this well is from a platform erected on the northern portion of the Sockeye Field. Therefore, the first criterion is Section 30260 is not met because there is a feasible, less environmentally damaging location available.

Mitigation of Adverse Environmental Effects. The Staff Summary on this project discusses the mitigation measures that Chevron could take on this project: drilling at a time of year that would least affect the Brown Pelican fledglings and other seabirds on the islands, that is, when they are not nesting or breeding, and after the chicks have "fledged" or learned how to fly and feed themselves. This time of year would be autumn. The other measure to reduce adverse environmental effects would be for Chevron to drill at the time of year when the chances of spilled oil hitting the island are the lowest and would take the longest time to reach the island area. This would be during the summer. (Exhibit 4). The worst time of year from the point of view of the oil spill trajectory analysis would be autumn.

The Department of Fish and Game pelican expert Frank Gress stated at the July 22 public hearing that there is no 60-90 day period during the year, the duration of the exploratory drilling, that the brown pelican population would not be vulnerable to spilled oil. This is due to an extended breeding and nesting period, now that the species is re-establishing itself, from December through late October.

The major threat of oil spills is really the threat of harm to the brown pelican and other seabirds breeding and resting on Anacapa Islands. The maximum mitigation measure that could be applied to this proposed project therefore would be that measure which would least harm the brown pelican. This would be drilling the exploratory well at the time during the year when the pelicans have fledged and are no longer sitting and feeding in the waters around Anacapa, and when the pelicans are not breeding. The end of October through early December is the period of least potential harm to the pelicans from spilled oil, although it also is the time that spilled oil would most likely reach the island area in the event of a spill.

Public Welfare. The final issue under Section 30260 to be addressed is whether the

public welfare would be adversely affected if this project were not granted consistency concurrence by the commission. The staff Summary listed the several competing issues of national interest that are involved in this determination: the need to determine the extent of the oil field to properly design a platform and effectively develop the Sockeye Field, the proposed federal Marine Sanctuary, the protection of the brown pelican under the state and federal Endangered Species Acts, the recent designations by Anacapa Island as a National Park, and the several designations by the State of the waters around Anacapa as a Marine Life Refuge, Oil and Gas Sanctuary, and Area of Special Biological Significance.

The Commission finds that the maximum feasible mitigation measure still leaves the pelican vulnerable to an unacceptable risk of harm, especially in view of its endangered status. The six week period from the end of October through early December, when risks to the breeding pelican population would be minimized, is not long enough for the eight to twelve week period of exploratory drilling.

Further, the risk of a spill during this time reaching Anacapa is not only the highest of any time during the year but also is increased by the location of the drillship in the buffer zone of the Vessel Traffic Separation Scheme. The location for the drillship, as discussed in the previous section on Alternative Locations, cannot be changed. The policy the Commission established for delineation wells in the Chevron O245 project and the Marine Sanctuary for the Channel Islands therefore is not satisfied by this proposal because of the unacceptability of the risk imposed on the brown pelican and other resources around Anacapa Island.

The Commission finds that the risks of vessel collisions caused by the location of the drillship within 500 yards of the Vessel Traffic Separation Scheme could adversely affect the public welfare because of the spills that may result from the collisions. Furthermore, the lack of response capability of oil spill containment and cleanup equipment in conditions of high winds and seas add to the risks of spills reaching the resources on and around the islands.

The national need for domestic oil and gas production is not disputed by the Commission. The issue is whether Chevron's need to drill this delineation well to plan for production of the Sockeye Field offsets the risk remaining to the pelican population and other biological resources after the maximum feasible mitigating measure is taken. Both the federal and state governments have indicated interest in protecting Anacapa Island and the waters surrounding it. Chevron has stated that it will install a platform to produce the field whether it drills this exploratory well or not; it is a question of how effectively Chevron can develop the field based on existing information. Chevron can reach the southerly part of the field with a well drilled directionally from a platform installed in the northern section. Therefore, foregoing drilling of this proposed exploratory well will not preclude later exploration or development of the portion of the field in which Chevron now wants to drill. For these reasons, the Commission finds that the public welfare would not be adversely affected by its objecting to Chevron's Certification of Consistency for its Plan of Exploration for OCS Parcel O205-3.

6.0 CONSISTENCY CERTIFICATION

The proposed activities described in detail in the accompanying Exploration Plan comply with California's Coastal Management Program and will be conducted in a manner consistent with such program.

The only policies of the CCMP which might relate to the proposed activity are contained in Sections 30230, 30232 and 30240. No other policies of the CCMP are relevant to the proposed permitted activity and, therefore, this statement in support of Consistency Certification addresses only those sections which are discussed below.

Section 30230, Protection of Marine Environment

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.

The proposed activities will not adversely affect the living resources of the marine environment. The proposed drill-site is not located within an area of special biological or economic significance (see below). Impact upon transient and resident species in the project area will be negligible. There will be no perceptible effect on commercial fishing because the proposed activities are very localized and of short duration. Discharges into the marine environment are strictly regulated by the Environmental Protection Agency and the U. S. Geological Survey, do not contain hydrocarbons, and are well below any possibly toxic levels of other substances. Clean well-cuttings will be disbursed by currents or may form a very localized deposit which will be recolonized by resident benthic species within five years or less. The chance of adverse impact from a significant oil spill is judged to be extremely slight, in view of the excellent safety record of exploratory drilling in U. S. waters to date. Protective measures are discussed in a separate CCMP policy.

Section 30232, Protection Against Spillage

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.

Chevron's Exploration Plan protects against the spillage of crude oil, gas, petroleum products and hazardous substances and, in compliance with Pacific Region OCS Order No. 7 of the U. S. Geological Survey, provides effective containment and cleanup facilities and procedures for any accidental spills which might occur. The provisions covering this matter are set forth in detail in Chevron's Oil Spill and Emergency Contingency Plan as previously submitted for OCS P-0215-2.

Section 30240, Environmentally Sensitive Habitat Areas

(a) Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on such resources shall be allowed within such areas.

(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade such areas, and shall be compatible with the continuance of such habitat areas.

The proposed activities will not take place within an environmentally sensitive habitat area. The nearest such area is Anacapa Island, 5.7 nautical miles to the south. Traffic to and from the proposed drilling site will not pass over or near this or any other sensitive areas. West Anacapa Island and (in some years) nearby Scorpion Rock and the more distant Santa Barbara Island are the only California rookeries for the California brown pelican, listed as an endangered species. West Anacapa Island is closed to public entry during the breeding season, March 1 to May 31. The proposed activities are scheduled to take place after August 15, during the season when the resident California pelican population, both adult and fledglings, has dispersed throughout the Southern California bight. Chevron's proposed project is compatible with the continuance of habitat values in the adjacent Channel Islands and, in any case, is similar to shipping and other activities in the area which do not appear to have affected such values.

The California Coastal Commission on January 3, 1980, adopted a policy in addition to those expressed in the CCMP, which relates to the proposed establishment of a marine sanctuary in waters surrounding the northern Channel Islands and Santa Barbara Island. That policy would ban development structures and severely restrict exploratory drilling within six nautical miles of the above islands. The area within the 6-nmi radius is deemed to be a necessary buffer zone to protect habitat values on the island shores and in adjacent State waters; it does not itself constitute an environmentally sensitive habitat area. The proposed drilling site is approximately 2,000 feet inside the 6-nmi radius. The Commission's recently-adopted policy states that: "The operator may conduct oil or gas exploration activities within six nautical miles if the prior exploration has indicated the likelihood of an oil or gas field extending within the six nautical mile area." The proposed P-0205-3 well so qualifies. Its purpose is to evaluate a multi-zone oil accumulation discovered by the P-0205-1 well, to the north, and whose southern edge was penetrated by the P-0205-2 well, a straight hole drilled immediately adjacent to the proposed P-0205-3 location.

We would also like to discuss Section 30262(d) which reads as follows: "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."

This section is not applicable to the proposed activity of drilling an exploratory well as it relates to oil and gas development operations as distinguished from the drilling of exploratory wells. However, the Coastal Commission has expressed concern about exploratory drilling within the Marine Vessel Traffic Scheme and has cited this section of the CCMP as support for their opposition to exploratory drilling in this area. Therefore, we wish to comment upon this provision in relation to the drilling of proposed exploratory well P-0205-3 within 500 meters of a marine vessel traffic lane. Chevron has consulted with the United States Coast Guard and obtained their approval for the drilling of this well. The Coast Guard has determined that the drilling of a well at the proposed location will not constitute a substantial hazard to vessel traffic provided it receives 120 days' advance notice of the drilling of this well and the drilling vessel is equipped with Class A aids to navigation. Chevron will comply with these requirements imposed by the Coast Guard.

The impact of drilling exploratory wells on the Outer Continental Shelf, as analyzed in the accompanying Environmental Report, is negligible in magnitude and temporary in duration. Such temporary operations will not significantly affect any land or water use in the coastal zone of the State of California and are consistent with the Coastal Zone Management Act as implemented in 15 CFR 930.

Edmund

California Coastal Commission
631 Howard Street, 4th floor
San Francisco, California 94105
(415) 543-8555

August 25, 1980



Mrs. Margaret C. Rourke
Chevron USA, Inc.
575 Market Street
San Francisco, CA 94105

NOTED - DUNAWAY

File: SANTA CLARA UNIT
POE

Dear Mrs. Rourke:

The California Coastal Commission adopted the following resolution at its August 19, 1980 meeting in Marina del Rey on Chevron's Consistency Certification CC-7-80 for a Plan of Exploration in the Santa Barbara Channel on OCS Parcel 0205-3:

I. Objection

The Commission hereby objects to the Consistency Certification made by Chevron USA, Inc., because Chevron's Plan of Exploration does not meet the policies and objectives of the California Coastal Management Program (CCMP) and therefore is inconsistent with the CCMP. Specifically, the Commission finds that Chevron's Plan of Exploration fails to meet the requirements of Sections 30230, 30232, 30240, 30260, and 30262 of the California Coastal Act, a portion of the CCMP. The Findings and Declarations that follow explain in detail what effects this proposed activity would have on the coastal zone, how the activity is inconsistent with specific mandatory provisions of the CCMP, and what alternative measures exist for Chevron to achieve its purpose of developing the oil field in a manner consistent with the CCMP. Chevron has the right to appeal this objection to the Secretary of Commerce on the grounds described in 15 CFR Part 930, Subpart H.

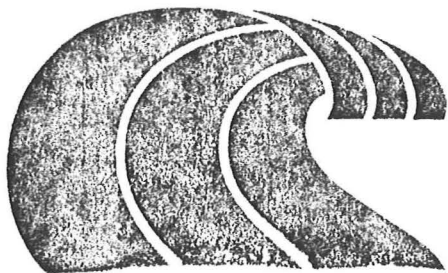
The Staff Recommendation and Summary are enclosed. The Findings and Declarations referenced in the objection resolution and contained in the Staff Recommendations were adopted by the Commission. The Commission made one change in the findings on Page 12, Paragraph 3. The last sentence in that paragraph should read: "Therefore, the first criterion in Section 30260 is not met because there is a feasible, less environmentally damaging location for securing the information."

Chevron has the right to appeal under 15 CFR 930, Subpart H by filing a Notice of Appeal with the Secretary of Commerce within 30 days of receipt of the objection.

Very truly yours,

[Signature]
Michael L. Fischer
Executive Director

NOTED - SCHAMBECK



NOTED - BALLANTYNE

[Handwritten signatures]

State of California, Edmund G. Bro (Jr., Governor

California Coastal Commission
631 Howard Street, 4th floor
San Francisco, California 94105
(415) 543-8555



FILE:
Santa Clara
Unit, POE

July 14, 1980

Mr. Tom Wright
Chevron USA, Inc.
575 Market Street
San Francisco, CA 94105

NOTED - DUNAWAY

Dear Tom,

On April 18, 1980, Chevron USA, Inc. submitted a Plan of Exploration and Environmental Report for OCS P-0205-3 to the California Coastal Commission for consistency review, pursuant to the provisions of NOAA's Consistency Regulations, 15 CFR Part 930.

Under Section 930.79 of the Consistency Regulations, the Commission must notify Chevron, the Assistant Administrator and the Interior Department if the State will not issue a consistency determination within three months of the date of receipt of the consistency certification; without such notice Commission concurrence will be conclusively presumed. The three month review period will run on July 18, 1980. This letter constitutes Commission notice under Section 930.79 that it will not issue a determination on the consistency certification within the three month period.

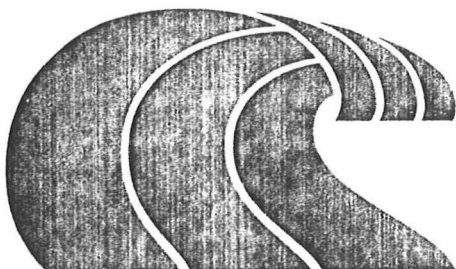
Chevron's proposal is highly controversial - it involves a drilling site within the buffer zone of a Coast Guard-established Vessel Traffic Separation Scheme and is located less than 6 miles from the breeding grounds of the endangered California Brown Pelican. The Commission and Chevron, along with the US Geological Survey, have held several meetings on the Plan to resolve the problems it presents. The Commission will be holding a public hearing on the Plan at the July 22 - 24 meeting in San Diego, with a probable determination on the Plan to be made one month later.

If there are any questions on this project, please contact Mari Gottdiener or Irwin Karp of my staff at 415-543-8555.

Very truly yours,

[Handwritten signature]
MICHAEL L. FISCHER
Executive Director

cc: Assistant Administrator, OCZM
Area Oil and Gas Supervisor, USGS



UNITED STATES GOVERNMENT

Memorandum



Robert Taylor
~~_____~~
Adams

TO : The Files

DATE: August 27, 1980

FROM : John Sun *JS*

FILE: Santa Clara
UNIT, POE

NOTED - DUNAWAY

SUBJECT: California Coastal Commission's First Rejection of a Federal Consistency Certification

On August 19, 1980, I attended a public meeting of the California Coastal Commission in Los Angeles during which the Commission acted, for the first time, to reject a consistency certification submitted by an applicant for a USGS permit to conduct exploratory drilling on the OCS. The Commission's decision, though based on technical findings of its staff, appears to reflect primarily an implicit policy position of opposing further oil and gas activities in the vicinity of the Santa Barbara Channel Islands. Since the California CZM program is looked upon by all other OCS States as a model operation, the eventual outcome of the Commission's decision will have significance beyond the immediate concerns of the parties involved in this particular consistency certification.

The consistency certification in question was submitted by Chevron Oil Company for a USGS permit to conduct exploratory drilling in the Santa Barbara Channel approximately 5.7 nautical miles north of Anacapa Island. The proposed drilling location is within OCS Parcel 0205 in the Santa Clara Unit of Sale #48. Chevron intends to drill from a drillship, the Glomar Coral Sea, which will be anchored at a location about 400 feet from the north-bound shipping lane in the Santa Barbara Channel. Chevron has stated that the drilling will be necessary to determine the boundaries of an estimated 100-million barrels oil field (the Sockeye Field).

The Commission's staff findings are, in essence, as follows: (1) the proposed drilling operation does not meet the policies of the California Coastal Act for protecting marine resources against possible oil spillage (sections 30230, 30232, 30240, and 30262 of the Act) and, (2) the need for the proposed drilling also fails to meet the "public welfare balance test" for coastal-dependent industry as required by section 30260 of the Act.

The central issue cited by the Commission's staff is that the potential risk of oilspill resulting from a possible collision between the drillship and passing tankers in the shipping lane will exceed an acceptable level necessary for protection of the California Brown Pelican population, particularly the fledglings (chicks learning to fly and feed themselves), in the vicinity of Anacapa Island. The staff acknowledges that Chevron has indicated it would drill during autumn and early winter, instead of during the Brown Pelican breeding period of from December through late August. However, based on the results of its computer simulation and analyses of a "worse case" oilspill resulting from vessel collision, the staff contends that potential damages to the Brown Pelicans nesting in and around Anacapa Island will still be unacceptable despite maximum possible mitigation by both onsite (Chevron) and available offsite (Clean Seas, Inc.) oilspill equipment and measures.



In terms of the "public welfare balance test," the Commission's staff maintains that the issue is whether Chevron's need to drill is sufficient to offset the risk remaining to the pelican population and other biological resources after maximum mitigation measures are taken. The staff believes that Chevron can accomplish its purpose for drilling from other more acceptable alternative locations and, therefore, public welfare will not be adversely affected by the Commission's rejection of Chevron's consistency certification.

Interestingly, while the Commission was supported by many agencies and organizations in rejecting the consistency certification, the U.S. Coast Guard testified in the meeting stating that it did not agree with the Commission's staff findings on vessel collision probability in the Santa Barbara Channel.

The Commission's decision was made by adopting a resolution to reject the consistency certification. In the initial voting, all but one member of the Commission voted for adoption of the resolution. However, the dissenting member later changed his vote to affirmative and, consequently, the resolution was adopted unanimously.

Before voting, many Commission members took note of the fact that the decision to reject the Chevron certification would be consistent with the Commission's position on the proposed Channel Islands Marine Sanctuary and oil and gas lease sales in the Santa Barbara Channel area in general. The staff also noted that, because of the far reaching implications of the Commission's first rejection of a consistency certification, they have carefully consulted with all parties involved, including the DOI, before arriving at their recommendations for rejection. Michael Fischer, Executive Director of the Commission, further added that "I have talked to Heather Ross of DOI and have received assurance from her that DOI would not issue the permit sought by Chevron if the consistency certification is rejected by the Commission."

On August 19, the following day after the Commission's action on the Chevron consistency certification, I visited the Conservation Division Pacific Area Manager's office in Los Angeles and participated in a debriefing meeting concerning the Chevron case, with Reed Stone (Acting Manager, Pacific Region, CD), Peter Tweedt (DOI Secretarial Representative), William Grant (BLM Area Office, L. A.), Fred Shambeck (Deputy Pacific Area Manager, CD), Tom Dunaway (staff engineer, CD) in addition to myself in attendance. The debriefing was conducted by Tom Dunaway who attended the Commission meeting on the previous day. An issue surfaced during the meeting concerning an August 14, 1980, letter by the National Park Service's Western Region Office in San Francisco to the California Coastal Commission indicating that the Office was "very uncomfortable with the proposed exploration plan" submitted by Chevron because, among other things, "the proposed Channel Island Marine Sanctuary, were it established, would prohibit such activity." The appropriateness of the letter was questioned in view of the Department's official position on the proposed marine sanctuary. At the conclusion of the meeting, Mr. Tweedt indicated that he would make a report immediately by phone to the Secretary's Office in Washington, D.C.

cc: Hillary Oden
Reed Stone (through Bob Rioux)
Mary Ann Turner
Priscilla Woll
Dave Nystrom