

28-21-

State of California, Edmund G. Brown Jr., Governor

California Coastal Commission  
631 Howard Street, 4th floor  
San Francisco, California 94105  
(415) 543-8555  
Michael L. Fischer, Executive Director  
William Travis, Deputy Director

File Number: CC-12-82

Date Filed: May 21, 1982

3 Months Period Ends: August 21, 1982

6 Months Period Ends: November 21, 1982

Staff: Energy

Hearing Date: November 12, 1982, Item 13a.  
Los Angeles

Commission Action:



Staff Report and  
Recommendation on  
Consistency Certification

Applicant:

Union Oil Company of California

Federal Permits that  
Require Consistency  
Certification:

- OCS Plan of Exploration
- Exploratory Drilling Permit
- U.S. Coast Guard approval of U.S. Army Corps of Engineers Permit

Location:

Outer Continental Shelf, OCS-Parcel 203 in the Hueneme Field, approximately 4.8 nautical miles north of Anacapa Island, in the buffer zone of the northbound traffic lane of VTSS, approximately 11 nautical miles south of the City of Ventura (Exhibits 1, 2, 3)

Project Description:

Two exploratory wells from same surface location using an anchored drillship, Diamond M General. Total Project Duration: 2½ mos.

Substantive File Documents:

1. Union Exploration Plan, Environmental Report, MMS Environmental Assessment for Exploratory Wells #'s 5 and 6, OCS-P-0203 and all comments therein.
2. Prior Consistency Certifications and Complete File for Leases 204, 205, and 245.
3. Administrative Record of Establishment of Santa Barbara Channel Islands Marine Sanctuary, and Subsequent Comments on NOAA's 1981 Suspension of Implementing Regulations.
4. The California Islands: Symposium (1980)  
ed. by D.M. Power, Santa Barbara Museum of Natural History
5. General Management Plan for Channel Islands, 1980 National Park Service
6. Final Report, Santa Barbara Channel Risk Management Program, National Maritime Research Center and Complete Commission File on Vessel Traffic Safety, Position Statement adopted July 28, 1982.

Staff Report

I. Staff Note

In an effort to determine if there were any possible alternatives to objection, the staff has met with Union on numerous occasions, beginning with consultation on October 19, 1981, over a year ago.

II. Applicant's Consistency Certification and Findings. The applicant has submitted a consistency certification stating that the proposed activity described in detail in the Plan of Exploration will be conducted in a manner consistent with California's Coastal Management Program. The certification is included as Attachment 1.

Staff Recommendation:

The Commission finds, and declares, as follows:

I. Objection:

The Commission objects to the Consistency Certification made by Union Oil Company of California because the Plan of Exploration affects the coastal zone and does not meet the policies of the approved California Coastal Management Program (CCMP) and is therefore inconsistent with the CCMP. Specifically, the Commission finds that Union's Plan of Exploration fails to meet the enforceable policy requirements of Sections 30230, 30231, 30232, ~~30234~~, 30240(a), 30250, 30260, and 30262 of the California Coastal Act (Section 30,000 et seq. of the California Public Resources Code). The Commission further finds that the Plan of Exploration fails to implement the national interest as specified in Chapter 11 of the CCMP and Sections 302 and 303 of the CZMA. Findings and Declarations that follow explain in detail the effects that this proposed activity has on the coastal zone, how the activity is inconsistent with the specific mandatory provisions of the CCMP, and what alternative measures exist (if any) for Union to achieve its purpose of developing the oil field in a manner consistent with the CCMP. Union has the right to appeal this objection within 30 days to the Secretary of Commerce on the grounds described in 15 CFR Part 930, Subpart H.

II. Findings and Declarations

A. Project Description.

Union Oil Company of California proposes to drill two exploratory wells on lease OCS P-0203 located in the eastern Santa Barbara Channel 504 feet from the northbound shipping lane within the VTSS buffer zone and within the boundaries of the Channel Islands National Marine Sanctuary. Exhibits 2,3.) The wells will be drilled from the same surface location, extending a maximum depth of 6,000 feet. The bottom hole location will extend under the shipping lane. The results of the first well affects plans for drilling the second well. The proposed well-site is 3.3 miles southwest of Platform Gina, currently producing oil from the Hueneme Field. In 1969, Mobil drilled 4 exploratory wells on the lease between the proposed well-site and platform Gina. Exxon has drilled 1 exploratory well southwest of the drill-site on an adjacent lease. Union originally proposed to drill within the sea lane itself but revised the drill-site location after consultation with MMS and U.S. Coast Guard. The present proposed location requires directional drilling angles up to 40°. Information will be used to decide whether to develop the Hueneme Field and where to install a platform. In all likelihood, Platform Gina will not handle production from this field. (Exhibit 9)

*proposed to drill  
sea to sea lane  
it was in  
after Union  
revised 300' further  
on lane off  
manufacturing  
MMS.*

## B. Background

### 1. Channel Islands Prior to Designation as a Marine Sanctuary

The Commission and the state of California have long recognized and protected the environmental resources of the Channel Islands and its offshore waters. The Commission's own involvement began in 1977 when it prepared a resource evaluation of 10 prospective California sanctuary sites. The Channel Islands ranked among the top two because it possessed all necessary criteria for federal protection as a marine sanctuary under the Marine Sanctuaries Act of 1972. The Commission has previously documented its involvement in the federal program in comments, chronology and bibliography dated July 30, 1981 and submitted to NOAA. All substantive file documents, including the references cited therein are hereby incorporated as a part of this recommendation. California, in addition to the Commission, protected, recognized, and promoted the environmental resources of the Channel Islands and its offshore waters prior to the creation of the Coastal Commission and prior to the passage of the 1972 federal Marine Sanctuaries Act. The Legislature protected the state offshore waters when it established an oil and gas sanctuary around the islands in 1955. Likewise the resources have been recognized by the Department of Fish and Game as an Ecological Reserve (California Fish and Game Code 1580). Also, California Water Resources Control Board has designated the state waters as an area of Special Biological Significance (ASBS), prohibiting discharges into the waters. Similarly, the Governor in 1975 OCS comments to federal government recommended a 6 n. mi. exclusion area for oil and gas operations. This documentation is once again cited here, and in the Marine and Coastal Resources section because companies have challenged the environmental sensitivity of the area. Union's lease was executed in 1968 prior to revisions in federal OCS laws that recognized state participation in the federal leasing process. According to the Final Environmental Impact Statement (FEIS) for the Channel Islands Marine Sanctuary, there are a total of 16 leases similarly affected. After Union's 1969 oil spill, the federal government suspended oil and gas exploration and development in the Channel, thereby preventing companies from expeditiously exploring and developing. Union has obtained numerous time extensions to the lease having shown "due diligence" to the federal government.

### 2. Commission Position on Channel Islands Sanctuary

The sanctuary, bounded by ocean waters extending outward 6 n. mi. around San Miguel, Santa Rosa, Santa Cruz, Anacapa and Santa Barbara Islands, was formally designated on September 22, 1980, after receiving Presidential approval that prohibited new oil and gas leases within its boundaries. The implementing federal regulations prohibiting oil and gas development do not extend to the 16 pre-existing leases. (Exhibit 4) In January, 1980, the Commission developed a position on this matter as a part of its DEIS and FEIS comments summarized as follows:

1. No oil or gas exploration shall be permitted within 6 n. mi. unless the lessee has first explored adjacent leased area outside the 6 n. mi. area.
2. Prior exploration outside the sanctuary must indicate a likelihood of an oil or gas field extending within the 6 n. mi. area.
3. No oil and gas development and production shall be permitted within the 6 n. mi. area, even if a tract is located entirely within the 6 n. mi. area.

Union's consistency certification described the comments as "exceptions" to the Coastal Act. Union concluded that its project was approvable because it met the "exceptions" of the Coastal Act. Union, however, failed to discuss exception #3. (Attachment 1, p. 8)

The Commission submitted the "exceptions" to N.O.A.A in DEIS comments as suggested federal regulations governing the sanctuary. NOAA rejected the Commission's comments, as well as the Commission's recommendations that the sanctuary boundary extend outward from the island for 12 n. mi. In its final comments to NOAA, the Commission responded that it would continue to exercise consistency review over the 16 existing leases. Thus, the "exceptions" are not binding in any way on the Commission, since the federal government rejected them. Companies are advised that the "exceptions" should not be viewed as a relaxation of the consistency review standards of the Coastal Act.

Even if it is assumed that the exceptions apply to this project, Union has failed to establish an approvable project. Turning to #1, Union has met this requirement having explored Lease 202 to the east. As to #2 and #3 Union has not demonstrated that the field extends within the sanctuary boundary. Present information indicates that the field "probably lies wholly within the six-nautical mile boundary." (Attachment 1, p. 9.) Union requests exploratory drilling because the unexplored portion of the geologic structure cannot be reached by directional drilling from a location outside the marine sanctuary. However, the explored portions to the east establish a structure most likely confined within sanctuary boundaries. There is no evidence from any exploratory drilling that establishes the existence of an oil resource extending beyond the boundaries of Lease 203 outside the sanctuary. In fact, existing geologic faults which would hold the oil to specified boundaries corroborates the Commission finding that the oil resource lies wholly within sanctuary boundaries. (Attachment 3.) In order for Union to produce economically from outside the sanctuary boundary, the resource would have to be exceedingly rich to justify the technical problems that must be overcome. As indicated, Union has not committed itself to production development outside the sanctuary boundary.

### 3. Previous Commission Consistency Reviews

A comparison of the Commission's past position on POE's in or near 6 n. mi. the Channel Islands is presented in Exhibit 5. The Commission has concurred in 3 instances, objected in 1. The Commission objected to Chevron's lease #205, located one parcel west of Union's lease, a distance of 3 nautical miles. Lease 205 was also located in the Sanctuary and in the VTSS buffer zone.

From 1978 to 1981, the Commission has concurred with 24 POE's and 2 POD's; and objected to 1 POE located in the Santa Barbara Channel. (Exhibit 6.) Based on this record, the Commission finds that it has exercised its consistency review authority cautiously, carefully weighing the national interest for oil independence with its mandate to protect coastal resources.

### C. Coastal Zone management Act and Consistency Review

#### Commission Consideration of the National Interest

The Commission considers the national interest when it reviews federal licenses and permits in the following manner. The Commission's approved CCMP includes not only the

Coastal Act but also a separate chapter (Chapter 11) that describes the process for consideration of the national interest. In summary, it determines that the California coast is a resource of national significance comprising more than half the western coastline of the contiguous 48 states. Nine out of ten of the objectives listed in Section 302 of the CZMA recognize the critical need to protect coastal zone environmental resources. (Exhibit 7.) The Commission, however, recognizes that trade-offs must be made with respect to the allocation of land and water resources and carefully balances such trade-offs when it considers whether an oil and gas project meets the "general welfare" test of Section 30260. Thus, the Commission decision under section 30260 of the Coastal Act represents a balance of national interest in resource protection and energy self-sufficient development as is required under the CZMA. The Commission also believes its record of 24 concurrences versus 2 objections in the Santa Barbara Channel demonstrates that the Commission has adequately considered the national interest to promote oil development.

#### D. Marine and Coastal Resources

##### 1. Documentation of the Resources

###### Introduction

1. As indicated in the Background, the marine environment surrounding the Channel Islands and the offshore waters are unique coastal resources. California's coastal zone includes the offshore islands and all surrounding state waters so that such resources can be protected. (Section 30103.)

The Channel Islands are sufficiently isolated from the mainland and from one another to permit the development of numerous endemic populations of marine flora and fauna. This isolation also provides a refuge for over 80 species of resident and migrant seabirds, as well as breeding and pupping areas for five species of seals and sea lions. The rich, offshore waters of the Channel Islands serve as a significant foraging area for 13 breeding seabird species including the endangered California Brown Pelican, as well as large numbers of migrants. These migrants include shearwaters, loons, grebes, albatross, storm-petrels, fulmars, and many others. Collectively, the islands constitute a major seabird breeding area of the eastern north Pacific, the largest such area south of the Farallon Islands.

###### a. California Brown Pelican

The California Brown Pelican (Pelicanus occidentalis Californicus) was classified as endangered by the U.S. Fish and Wildlife Service in 1970. Subsequently, in 1971, the California Fish and Game Commission designated the California brown pelican endangered under the California State Endangered Species Act of 1970. The California brown pelican is one of six recognized subspecies of the brown pelican (Wetmore 1945). Only the brown pelican population located along the Pacific coast of the United States and Mexico and the Gulf of California is considered a part of the California sub-species. Anacapa Island (located 4.8 nautical miles from the proposed Union well-sites) is the only stable breeding colony of the California brown pelican in the United States. Presently, the Channel Islands are the northernmost pelican breeding colony. Previously, the brown pelicans were known to nest as far north as Point Lobos, near Monterey, California. brown pelicans have been recorded nesting on four of the Channel Islands and/or their associated isles: Anacapa, Santa Cruz (Scorpion Rock), Santa Barbara Island (including Sutil), and San Miguel Island (including Prince Island). Anacapa is by far the most important of these areas, with nesting records dating back to as early as 1884. Though the pelican nesting areas have moved from one part of the island to another, Anacapa is the most stable and important pelican breeding area in California.

The U.S. Fish and Wildlife Service divides the California brown pelican into four general breeding populations:

- Southern California Bight Population: This consists of the breeding colonies of the Channel Islands and the islands off the northwestern coast of Baja, California as far south as Isla San Martin. Anacapa Island and Los Coronados (off northern Baja, California) have historically been the most important breeding areas in the Southern California Bight.
- Gulf of California Population: This group breed mainly on the desert islands in the middle portion of the Gulf of California.
- Southwest Baja, California Coastal Population: This group nests on the various islands in the Bahia Sebastian Viscaino and Bahia Magdalena area.
- Mexican Population: The pelicans in this group breed mainly on mangrove islands and in mangrove trees in wetlands in the Sinaloa area off mainland Mexico and the nearby offshore islands.

The Southern California Bight breeding population has been estimated to comprise from 6 - 10 percent of the entire breeding population of the California brown pelican. While the Southern California Bight population forms the northern extreme of the pelican breeding range, researchers believe the population to be quite viable. As well, the Southern California Bight population may be critical to the health of the entire subspecies, as this group offers a gene pool different from the Mexican populations (Gress and Anderson). Therefore, damage to the Southern California Bight population, which breeds on Anacapa Island, could affect the viability of the entire population of the California brown pelican.

#### b. Other Significant Sea Bird Populations

Anacapa, as a part of the Channel Islands, is also an important breeding location for numerous other seabirds. Middle Island/Anacapa supports the largest western gull colony in the Channel Islands. Also, breeding on this island are populations of Xantus' murrelet, pigeon guillemot, and double-crested and pelagic cormorants. West Anacapa, where the pelicans nest, has steep, heavily vegetated slopes. It has been designated as a research natural area and is therefore closed to public visitation to protect nesting habitat of the brown pelican. A state ecological reserve boating closure zone has been established on the north side of West Island to further prevent disturbance to breeding and feeding pelicans. All three islands (East, Middle, and West) are characterized by precipitous sea cliffs pocketed by numerous sea caves and burrows that provide habitat for seabirds.

#### 2. Potential Impacts of Oil Spills on Pelicans and Other Seabirds: Section 30232

The Coastal Act requires protection from oil spills in Section 30232, quoted in the Oil Spill section of this recommendation. Its specific applicability to the environmentally sensitive habitat is highlighted here. As previously discussed, California brown pelicans observed in the Channel Islands area are a combination of the Southern California Bight breeding population and members of the Mexican breeding populations. The pelicans, which breed in Mexico, move northerly into California in July through January as they search for food. This seasonal cycle results in significant numbers of pelicans in the vicinity of the eastern Santa Barbara Channel throughout the year. Thus, it is not possible to establish a particular time of year, or window, when pelicans would not be damaged if a spill occurred (Exhibit 8).

The Southern California Bight brown pelican breeding population begins to concentrate on Anacapa Island, and sometimes nearby Scorpion Rock, in December. Eggs are laid 30 days to incubate, and the young fledge around 12 weeks after hatching, so young are found on the nests through August. Numbers of nesting pairs have varied from year to year. In 1976, 417 nests were counted. In 1977, only 76 pairs of pelicans nested, but for the last two years (1979 - 80) Anacapa has been the largest colony on the West Coast. In 1978, 335 pairs nested, and in 1979, 1,258 pairs were counted on nests. Reproductive success has varied over the years because of food availability, disturbance to nesting sites, and pollution of ocean waters. During the late 1960's and early 70's, large drops in the brown pelican populations occurred as a result of eggshell thinning due to pesticide contamination (DDT & DDE) off California ocean waters. After cessation of pesticide dumping in Southern California waters, reproductive success of the brown pelican improved and populations have begun increasing.

In addition to those residents found mostly in the vicinity of the nesting colony on Anacapa, the annual influx of birds from Mexican nesting colonies occurs after early June. Numbers in all habitats build as summer progresses, reaching annual population highs in September. Maximum island counts of 10,600 and 10,400 individuals were observed in September and October, 1977 by BLM Contractors. Very large numbers of brown pelicans are found in the fall months on roosts throughout the islands. Most of these are found on the northern islands in October. The majority of the pelicans from Mexican colonies pass southward through and out of the study area by the (end of December) *1st or middle November*.

The location and behavior of nesting, resident pelicans, and the large numbers of pelicans concentrated during the fall months makes this species a risk to an oil spill throughout the entire year (Exhibit 8). BLM researchers estimated the combined population of all pelicans in the Bight area in October of 1977, for example, to be 94,000 individuals, representing a large segment of the entire world population of this subspecies. When most abundant, brown pelicans were particularly concentrated in the eastern Santa Barbara Channel, Santa Monica Basin, and around shallow island shelves--including those of Anacapa, Santa Cruz, and Santa Barbara Islands.

From January through August, when resident pelicans are nesting on Anacapa, their foraging is necessarily limited to waters adjacent to the colony, particularly as chicks mature and their food demands increase. Thus, the importance of the offshore waters around Anacapa are critical for pelican feeding. Recently fledged birds tend to feed near the colony as well. Thus, the Commission concludes that no window can be established when it would be safe to explore for oil without unacceptable risk to the seabirds of the area. November is Union's suggested time, but that period is too short for the duration of Union's project, and it is the time when Santa Ana winds blow towards Anacapa Islands, creating greatest oil spill risk.

Therefore, the Commission finds this project cannot be satisfactorily mitigated to meet the requirements of Section 30230, 30231 and 30232 of the Coastal Act.

3. Environmentally Sensitive Habitats and Biological Productivity: Sections 30107, 30231, 30240(a)

a. Environmentally Sensitive Habitat Areas; Section 30107 defines an environmentally sensitive area as any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem, and could easily be disturbed by development. Union's consistency certification states that "there are no known environmentally sensitive areas on or immediately adjacent to the lease". The Commission disagrees. The well-sites are in fact located 1.2 miles within the boundaries of the Channel Islands National Marine Sanctuary, and within 4.8 nautical miles



of Anacapa Island, which is a part of the Channel Islands National Park. As was established in the Background and Documentation sections, this project is located in an environmentally sensitive habitat.

If development is located in an environmentally sensitive habitat, the requirements of Section 30240(a) apply:

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.

The key first requirement is whether oil exploration and later development is a "significant" disruption of habitat value. Due to the extreme sensitivity of the marine resources, the risk of a spill, and the need for development within the sanctuary of production facilities, the Commission finds that the project poses "significant" disruption to resources.

The second requirement of Section 30240(a) allows only resource dependent uses in environmentally sensitive areas. The Commission finds that this project does not propose a resource dependent use. The resource to be protected is the wildlife values... Dependent uses could include fishing, if such activity can be properly regulated so as not to interfere with the wildlife. Oil development's associated risks would seriously disrupt, if not destroy, the wildlife resources required to be protected under Section 30240(a). Therefore, the project does not satisfy the two requirements of Section 30240(a) of the Coastal Act.

## 2. Biological Productivity

The Coastal Act requires protection of biological productivity in the following mandatory policy:

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.

Union concludes that the entire channel contains an abundance of important marine resources and that the impacts of routine drilling operations are slight, temporary, and localized. This observation fails to recognize that the Coastal Act requires special protection of the areas of special biological significance. For the reasons previously enumerated, the Commission finds that this section is not met by this proposal.

## E. Commercial Fishing

Commercial fishing is a recognized priority use of the coastal zone (Section 30234). Depletion of the fisheries both inside and outside the coastal zone will prevent the Commission from protecting the priority use. In addition, Sections 30230 and 30231 require management of coastal waters to assure biological productivity for the maintenance of optimum populations of marine life, which would include fisheries.

Lease 203 is within a trawling and purse-seining commercial fishing area and is within Fish Block 683-689. Spot prawns and anchovies are the primary targets of the trawling and purse-seining. Most of the fishing activities occur within 3-6 miles offshore the north side of Anacapa Island. Thus, there will be conflicts between the proposed exploratory drilling and commercial fishing activities during the project. Also, the threat of oil spills poses danger to commercial fishing activities. The Department of Fish and Game, which regulates fishing, has recommended objection to this project. Because OCS exploratory drilling will conflict with commercial fishing and remove fishing space, the Commission finds the proposal inconsistent with Section 30230 and 30231 of the Coastal Act.

*No take area*

F. Protection Against the Spillage of Crude Oil.

1. Introduction. Regardless of the precautions taken against well blowouts and resulting spills of crude oil in the open ocean, there is always a risk of oil spills occurring at a drill site. Such a spill may reach the coast of California and the offshore islands and damage marine life, scenic areas, and recreational areas. 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.

Union has provided onsite equipment and personnel training, and works with oil spill cooperatives, which have dedicated oil spill response vessels (See Appendix A). The Clean Seas dedicated oil spill response vessel, Mr. Clean I, can arrive at the site within 5 to 6 hours.

2. Chemical Dispersing Agents. Because of the location of this well in a recognized area of biological significance for Brown Pelican breeding, Union is attempting to take additional measures to protect the species from the adverse impacts of oil spills if they occur. Union has requested the Regional Response Team (federal agencies and the State of California that approve response procedures during oil spills) to develop measures to expedite the approval process for the use of chemical dispersants to combat oil spills, particularly spills from operations such as this one located in environmentally sensitive habitats. In coordination with this effort, Union is currently revising its oil spill contingency plan to include dispersant use procedures pursuant to Coast Guard and Minerals Management Service requirements. Union has not submitted a complete version of its revised oil spill contingency plan to the Commission for review, and has yet to receive guidance from the Regional Response Team for procedures to expedite approval for dispersant use. Oil spills pose the greatest threat to the Brown Pelican population on Anacapa Island and all potential response procedures for their protection must be presented to the Commission for adequate review of the proposal. Since these essential elements of Union's spill response planning have not been presented, the Commission does not have sufficient information to determine the consistency of this proposal with California's Coastal Management Program.

If dispersant application procedures are developed and the approval process is expedited, Union may improve their ability to combat oil spills in situations where the use of these chemicals are warranted. However, these measures must be viewed as additional tools to reduce the impacts of oil spills on sensitive areas, not to eliminate the impacts. There has never been a documented case of dispersants eliminating the impacts of large oil spills.

Not of chemicals themselves but effect of oil availability throughout column

The effectiveness and potential toxicity of dispersants remains a source of debate. However, if a large oil spill occurs in this location and the spill is headed toward shore, it is unlikely that the local oil spill cooperative will be able to apply more than one application of dispersants, if that, before the oil would contact the island. The Clean Seas oil spill cooperative has acknowledged, in written comments to the Commission, that one pass over an oil spill will disperse only 10 to 30 percent of the oil remaining after evaporation. Mechanical cleanup methods such as booms and skimmers also have limited effectiveness, and should be viewed as devices to reduce, but not eliminate impacts. Thus, the combined efforts of mechanical and chemical cleanup techniques will not eliminate the impacts to the brown pelican population, if that population is threatened by a large oil spill.

Even if Union develops dispersant techniques and submits a completed oil spill plan to this Commission, it remains doubtful whether any mitigation can be considered adequate to protect the environmentally sensitive resources at this location.

3. Oil Spill Risk and Trajectories. Union states that the chances for an oil spill are very small, due to the excellent safety record of the industry in drilling exploratory wells. However, there is always the chance of an oil spill occurring, and this risk must be weighed against the value of the resources that could be damaged. The largest oil spill in history was from the Ixtoc exploratory well, located in the Bahia de Campeche, Mexico, which demonstrates that oil well blowouts from exploratory operations are possible. (A summary of exploratory drilling risks is included in Appendix A.) A risk of a spill in this location is increased because the well site is proposed to be located in the buffer zone of the Santa Barbara Channel Vessel Traffic Separation Scheme. Thus, the combination of a well site located in an environmentally sensitive habitat and in a buffer zone of the VTSS substantially increases both the damage and risk of an oil spill.

Union is currently preparing oil spill trajectory data to be included in their oil spill contingency plan. None of this information has been submitted to the Commission for review. Attachment 2 is a letter from Commander L.A. Onstad, U.S. Coast Guard, stipulating the data necessary for making decisions on the use of dispersants. This information should be included in Union's contingency plan. The data request includes the projected oil spill trajectories during the drilling of the well, possible situations where dispersant use is warranted, oil types, potential spill types, and so on. This data is necessary for government agencies to adequately consider the use of chemical dispersants to combat oil spills. In the absence of this data, the Commission is unable to find that Union has adequately documented its anticipated response to a large spill from this location.

4. Conclusion. Based on the above discussion, the Commission finds that Union has not provided effective measures as required in Section 30232. Current state-of-the-art oil spill containment and cleanup does not provide the level of effective protection required by this policy. Because this POE is a coastal-dependent industrial facility, it nonetheless requires a second look under Section 30260 of the Coastal Management Program, which allows special consideration for such facilities. (See Section J)

#### G. Vessel Traffic Safety

Section 30262 of the Coastal Act will not allow platforms to 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 Coast Guard has in the past argued that Section 30262 by its terms cannot apply to exploratory drilling due to its express reference to "platforms". The Commission disagrees and has applied the Section to exploratory drilling for the following reasons.

First, the cumulative effects of numerous exploratory activities create substantial increased hazards to vessel traffic and such effects must be dealt with even more carefully than individual stationary platforms under numerous statutory requirements (Section 30250, CEQA, and NEPA). Furthermore, Section 30260 requires the Commission to adopt "maximum feasible mitigation" for any oil and gas development, including exploratory drilling. Thus, in implementing Section 30260, the Commission can look to the specific legislative guidance of Section 30262 on vessel traffic safety.

The Commission has carefully examined the issue of vessel traffic safety in numerous past actions. In January 1982, the Commission approved Chevron's POE for the nearby lease to explore the Sockeye Field (CC-9-81). However, it expressly determined that existing data did not justify placement of temporary structures in the buffer zone. The Commission required extensive mitigation measures, and based its concurrence on Chevron's willingness to implement them. The Commission also indicated that its concurrence was due in large to its desire to obtain additional information from the implemented mitigation measures. Chevron subsequently postponed the project and Union now proposes to undertake the same measures. Because of the location of Union's project, as discussed below, the mitigation measures are inadequate.

Chevron's project is located 4 miles northwest of the "dog leg", or bend in the VTSS. Union's project is located less than half a mile northwest of the same dog leg... In concurring with Chevron's project, the Commission found:

A minimum of 3 miles from the dog leg is necessary as a margin of safety to allow vessels to make late turns in the bend and still return to the sealane before reaching the drillship.

This determination was based in part on expert testimony that the greatest navigational risk is located at the dog leg. Due to the proposed project's location in relation to the Vessel Traffic Separation Scheme, the Commission finds that it is not consistent with Section 30262 and cannot be mitigated under Section 30260 of the Coastal Act.

#### H. Air Quality

As a part of its approved CCMP, the Commission must determine if the project affects the air quality of the coastal zone. The Commission relies heavily on the technical expertise of the California Air Resources Board (ARB) in making this determination, as it is required to do so in numerous sections of the Coastal Act. Since 1981, ARB has participated extensively in the review of POEs and has submitted numerous reports documenting the coastal zone effects of offshore drilling. As to this particular project, ARB submitted an analysis dated June 1982. In reliance on the ARB analysis, the Commission finds that offshore exploratory drilling affects the coastal zone.

After a coastal zone effect has been demonstrated, the Commission examines the project for consistency with Section 30253(3), which requires new development to be consistent with ARB standards. ARB has determined as follows:

In our view, the applicant has not met the burden of showing that these projects are consistent with the Coastal Zone Management program and disapproval of these applications is warranted. However, ARB would not oppose the granting of consistency provided that Union agrees to:

1. Implement injection timing retard and any other mitigation measures on the Diamond M General that are specifically identified by the task force's NOx emission study.

2. Record and make available to ARB fuel usage and electromotive demand for each operating phase during well drilling activities. (This information is needed to verify the emissions estimates of the Radian study.)
3. Record wind speed, wind direction and temperature during the time period when the Diamond M General is operating in the OCS.

The ARB, in not opposing a consistency permit at this time, does not concede that the project applicant has met the burden of mitigating potential adverse air quality impacts resulting from this project, and this agency expressly reserves any and all legal rights and remedies which it otherwise has in this matter.

Union has participated in the industry-government task force, developing mitigation measures to address spillover coastal zone impacts of offshore development and has agreed to implement the measures described above. Therefore, the Commission finds the project satisfies Section 30253(3) of the Coastal Act, and the requirements of Section 307(f) of the CZMA.

#### I. Public Access, Recreation, and Visual Resources

Background. Maximum public access and recreational opportunities consistent with the need to protect natural resources from overuse must be provided under the requirements of Section 30210 of the Coastal Act. Additionally, water-oriented recreation is a recognized priority use of the coastal zone in Sections 30220 and 30221. Visual qualities of coastal areas shall also be considered and protected as a resource of public importance. (Section 30251) National recognition of such policies can be found in the CZMA, the establishment of the Channel Islands National Monument in 1938, and park expansion in 1980 (Exhibit 7).

The proposed project is closest to Anacapa Island, first protected nationally in 1938. Anacapa consists of three small islets connected by narrow reefs. Totalling about 700 acres, the islets are collectively about 3 miles long, with perpendicular cliffs rising 250 feet above the sea. Recreational uses predominate on East Anacapa and at Frenchy's Cove, while West Anacapa is set aside as a natural area for brown pelicans, discussed in the Marine Resources section. Middle Anacapa is available for visitor use, but there are no facilities or trails. According to the 1980 General Management Plan for the Channel Islands National Park, only Anacapa is easily accessible to the public by scheduled commercial boat service from Ventura. East Anacapa is also accessible from Oxnard and Port Hueneme for day use trips by private boats. The Park Plan proposes a careful balance of public access and recreation with protection of natural habitat. Some reduction of public access to Anacapa will be necessary in the future.

Drillships located on Leases 203 will be visible to boaters seeking access to any portion of Anacapa from Ventura, Oxnard, or Port Hueneme. However, because exploratory drilling is a temporary project lasting a maximum of 2½ months, the Commission finds that the project will not have any long-term adverse impact on recreational and public access uses.

#### I. Coastal Dependent Industrial Development

Coastal Dependent industrial development is first considered under all other applicable policies of Chapter 3. If coastal dependent industrial development can meet the other

applicable policies of Chapter 3, then the less strict standards of Section 30260 do not apply. If coastal dependent industrial development cannot meet the other policies of Chapter 3, then it may nevertheless be approved if it is consistent with all three specific requirements of Section 30260. As indicated in the earlier findings, this project fails to meet the requirements of Sections 30230, 30231, 30231, 30232, 30240, 30262, and ~~30210~~ of the Coastal Act.

30250

The first requirement of Section 30260 allows coastal dependent industrial facilities if alternative locations are either infeasible or more environmentally damaging. Alternative locations to drill the two wells require slant drilling at an angle considered unsafe, or at a location within the sea lane presenting an even greater potential risk of collisions between drillship and other vessels. Drilling any farther from the oil field being delineated would not yield the data Union needs to determine whether sufficient oil and gas reserves exist to justify installation of a platform. For these reasons, the Commission finds that alternative locations are infeasible and less desirable.

The second requirement of Section 30260 concerns the public welfare. Clearly, it is in the interest of the public welfare to search for domestic sources of oil and gas. However, this is not the only consideration in determining whether the project meets the public welfare test. As indicated earlier, the Commission equates its responsibility to implement the public welfare to its responsibility to weigh the national interest in OCS projects. Protection of coastal resources, recreational opportunities and navigational safety must be considered aspects of public welfare. The Commission has carefully weighed these competing factors in its decision as indicated below.

As discussed in detail in Sections B and D, the proposed project is located within a federal and state designated sensitive habitat area. Less than 6 n. mi away on Anacapa Island, is a breeding colony of endangered brown pelicans and numerous other unique resources. The National Park Service plans to reduce public excess to Anacapa in order to provide a more hospitable natural environment to the pelican and other species. Noise from industrial development, risk of oil spills, and additional human intrusion are inevitable with oil development. As discussed in Section G, navigational safety is significantly adversely affected when drilling is located within the buffer zone of the Vessel Traffic Scheme. The Commission's policy to discourage drilling within the VTSS buffer zone unless extraordinary circumstances exist is based in part on the public welfare to be served by navigational safety. If navigational safety alone were at issue, the Commission could consider an approval based on overriding public welfare considerations. It made such a decision in Chevron's Plan of Exploration for Lease 205. However, additional factors tip the balance the other way for Union's projects. Turning to the oil spill analysis of Section F, the Commission found that oil spills headed toward Anacapa Island cannot be stopped with today's technology. Although the oil trajectories for this location indicate a fairly low percentage chance of impact to the island; the contamination if it does occur, will happen with fresh oil which is the most toxic.

The Commission finds that approval of this project will not promote the public welfare due to the need to protect the environmental sensitivity of the Channel Islands and its offshore waters, navigational safety, and a sensitive area free from the risk of oil spills. This one project will not promote a public interest that can outweigh the other 3 major public interest factors. The Commission's record of approvals in the Santa Barbara Channel in general and with pre-existing leases in the sanctuary in particular amply demonstrates its concern for the public interest in energy self-sufficiency. (Exhibits 5 and 6.)

The third requirement of Section 30260 requires adverse impacts to be mitigated to the maximum extent feasible. The Commission first examines the mitigation proposed to protect

the resources. Union's oil spill containment and cleanup equipment and procedures will probably represent the maximum feasible mitigation consistent with Section 30260, but Union has yet to submit a final oil spill contingency plan to the Commission for review. Since this plan is currently being revised pursuant to Coast Guard requirements, the Commission has inadequate information to make a determination. Regardless of the measures taken, if a large oil spill occurs and is headed toward Anacapa Island, no technology can keep the oil from impacting the brown pelican population. If chemical dispersant application methods are improved and government approval procedures expedited perhaps impacts could be reduced. However, even this is unclear because of the many unknowns regarding the effectiveness and potential toxicity of chemical dispersing agents. While Union may be able to provide the maximum feasible protection of the pelican using state-of-the-art procedures and equipment, the brown pelican cannot be protected from the adverse impacts of a large spill. Development could not be confined to a particular season of reduced risk. (Section D). For these reasons, the Commission finds that the project cannot be adequately mitigated to protect environmental resources.

Turning to the proposed mitigation for navigational safety, Union proposes to carry out the mitigation that the Commission previously approved in Chevron's 205 Lease. The Commission finds that such mitigation is not the maximum feasible due to the location of this tract nearer to the "dog leg" of the VTSS, within the sanctuary boundaries and, closer to the safety fairway of Port Hueneme. The Commission therefore finds that the project fails to meet the 3-pronged test of Section 30260.

K. NPDES Permit.

Union has submitted its NPDES permit as a part of its POE. The Commission encourages consolidated review of related federal permits, as required by federal regulations implementing the CZMA. Because the proposed location for the exploratory drilling is beyond 1000 meters of the state's coastal zone, the Commission will not review the consistency of the activities permitted by the Environmental Protection Agency's National Pollutant Discharge Elimination System permit. At March 21, 1980 meeting, and again at the September 17, 1981 meeting, the Commission determined that discharges of drill muds and cuttings from exploratory drilling operations conducted more than 1000 meters from the state's three-mile boundary cannot be shown at this time to affect the coastal zone. Therefore, no consistency review is required for the discharge activities in this consistency certification.

## APPENDIX A

Onsite Equipment (First Line of Defense). Oil spill containment and cleanup equipment stored on an exploratory drilling vessel or on a production platform is primarily designed to provide a first line of defense for a major spill or to contain and clean up small spills that may occur. This equipment must be able to surround the largest areas possible within an acceptable period of time. If the equipment is too large and difficult to handle, then its purpose is defeated. The following list includes the equipment which the Commission has established as minimum requirements for Plan of Exploration consistency certifications in the past. The applicant has committed in its plan to include this equipment onboard the drilling vessel:

- 1) 1,500 feet of open ocean oil spill containment boom;
- 2) one oil skimming device capable of open ocean use;
- 3) bales of oil sorbent material capable of containing 15 barrels of oil;
- 4) a boat capable of deploying the oil spill boom on the site at all times or within fifteen minutes of the drilling vessel; and
- 5) oil storage capacity of 29 barrels, minimum, for recovered oil.

Oil Spill Cooperatives (Major spills, second line of defense). Removal of spilled oil in coastal or marine waters is undertaken by the party responsible for the spill, under the supervision and, if necessary, the direction of the U.S. Coast Guard. Because of this requirement, oil production companies operating in the Outer Continental Shelf belong to oil spill cooperatives which have oil spill cleanup equipment designed for open ocean use. The oil spill cooperative used for the Santa Barbara Channel and the Santa Maria Basin is Clean Seas.

Dedicated Oil Spill Response Vessels. Clean Seas currently has a 136-foot oil spill response vessel stationed in Santa Barbara harbor. The vessel, Mr. Clean, is outfitted with equipment which is designed for response to oil spills in the open ocean. Clean Seas is continuing to investigate state-of-the-art equipment additions to the vessel, and the Commission staff is currently working on potential improvements through the Oil Spill Response Capability study. This vessel will provide the initial response from Clean Seas to oil spills in the Santa Barbara Channel from Point Conception to Point Dume, and beyond the Channel Islands.

Clean Seas has recently acquired a second oil spill response vessel which will be fully equipped with oil spill containment and recovery equipment. This vessel, Mr. Clean II, is located in Port San Luis to provide the initial response to oil spills north of Point Conception.

Personnel Training. An adequate oil spill response training program must recognize the different roles necessary to provide an acceptable response to an oil spill. In general, the program can be broken down to two categories: 1) training for supervisory personnel; and 2) training for workers charged with actually putting equipment into the water. This training can be done by an individual oil company, or through the local oil spill cooperative depending on the level of the training.

Supervisory Training. The Clean Seas oil spill cooperative conducted a two-day training program for supervisory or management personnel operating in the Santa Maria Basin. Chevron sent their oil spill "Containment and Cleanup Coordinator, Offshore Containment



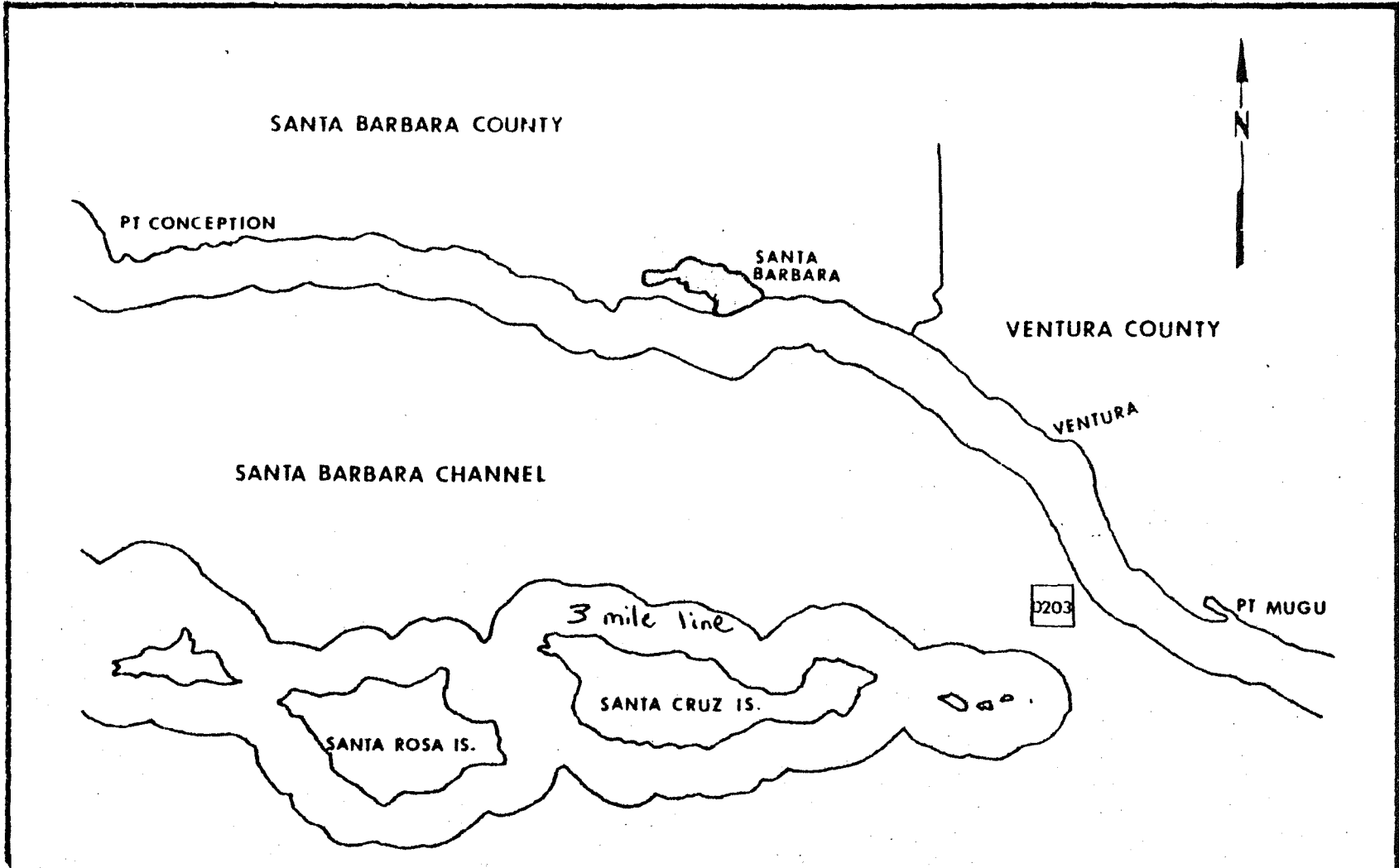
and Cleanup Coordinator, Onshore Containment and Cleanup Coordinator, and other individuals with management or supervisory functions to the training session. The session focused on the supervisor's role in directing workers to use equipment properly, interface with the Clean Seas organization, and making the supervisors aware of proper coastal resource protection goals.

Equipment Use Training for Workers. Workers responsible for actual use of the oil spill equipment must receive "hands on" training to use the equipment properly. Chevron has inhouse training procedures that include full deployment of all offshore oil spill containment and cleanup equipment. The Clean Seas oil spill cooperative puts on training sessions that cover use of specific types of equipment. Member oil companies shall send personnel to these sessions.


#### Exploratory Drilling for Oil and Gas

Mobile exploratory drilling rigs have been operating offshore approximately 23 years. Accidents associated with these rigs include, blowouts, collision and ramming, overturning when moving or preparing to move, and problems coping with storm activities onsite or during transit. The March 1977 issue of Ocean Industry stated that there were 70 reported accidents involving mobile rigs up to 1977, but most of these were associated with the movement of the rigs and not the spillage of oil. Since 1955 there have been 18 blowouts from mobile rigs. However, in recent years safety has increased while the number of rigs in operation has grown. This is the result of improvement of rig designs and new training in recent years. Of the spills that have occurred as a result of exploratory drilling, the USGS circular 741 published in 1975 states, "..., no spill in excess of 50 barrels has been recorded during exploratory drilling either on the Federal OCS or, to our knowledge, in any other offshore area throughout the world." Representatives of the U.S. Geological Survey indicate that the 18 blowouts previously mentioned from mobile rigs have been gas blowouts with no associated spillage of oil. However, on June 3, 1979, the Ixtoc exploratory well in the Bahia de Campeche, Mexico had a major oil blowout. According to the Oil Spill Intelligence Report (Boston), Ixtoc I was the largest oil spill ever recorded. The oil resources tapped by Ixtoc I are far larger than any oil field anticipated offshore California.

The history of exploratory drilling shows it to be relatively safe in light of the thousands of wells that have been drilled, however, the Ixtoc well blowout demonstrates what can happen if a spill does occur.




7

 California Coastal Commission	EXHIBIT NO. 1
	APPLICATION NO. VENION
	CC-12-82



LOCATION OF LEASE OCS-P 0203



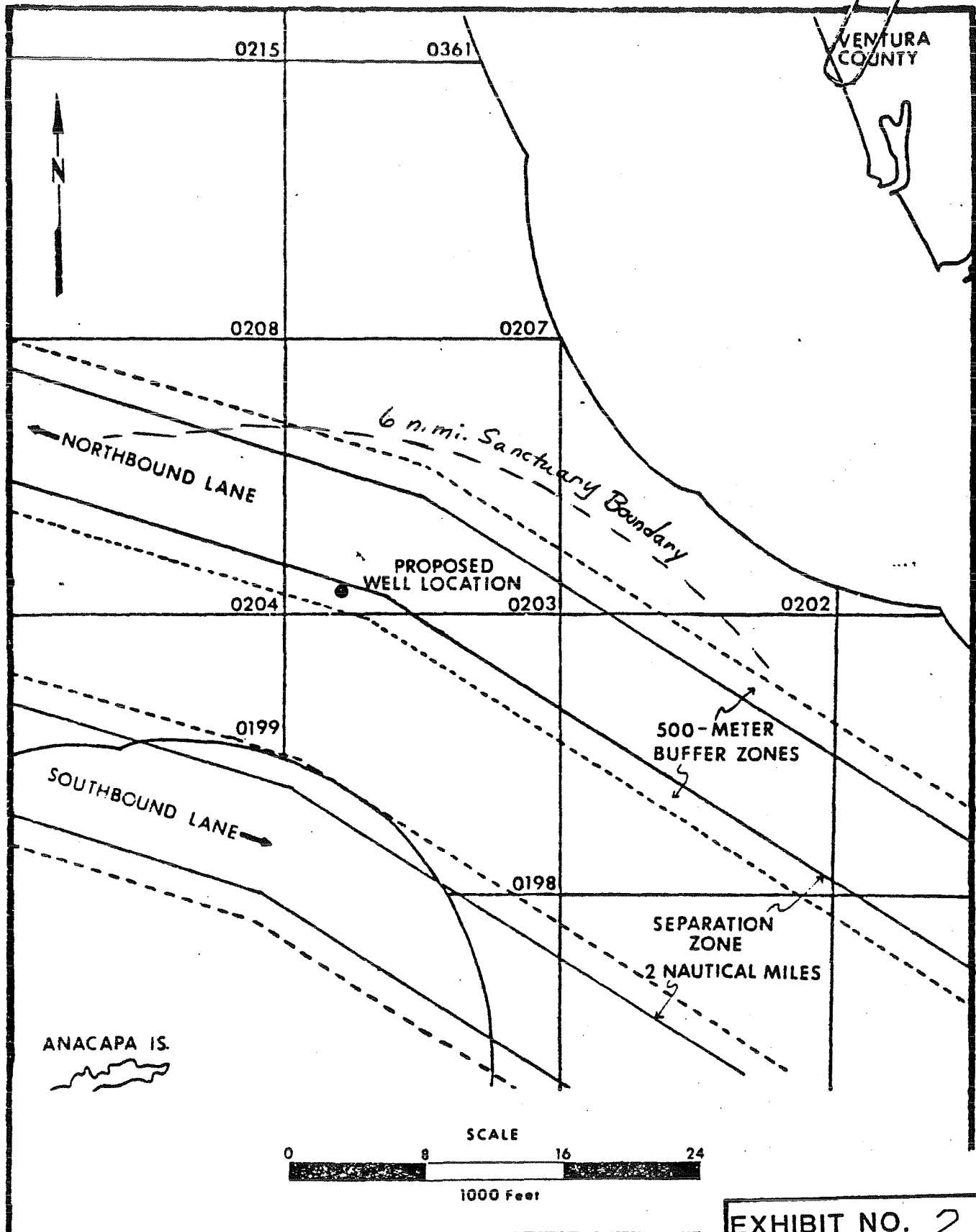



FIGURE  
III-22

VESSEL TRAFFIC SEPARATION SCHEME  
EASTERN SANTA BARBARA CHANNEL

EXHIBIT NO. 2
APPLICATION NO. UNION
CC-12-82
 California Coastal Commission

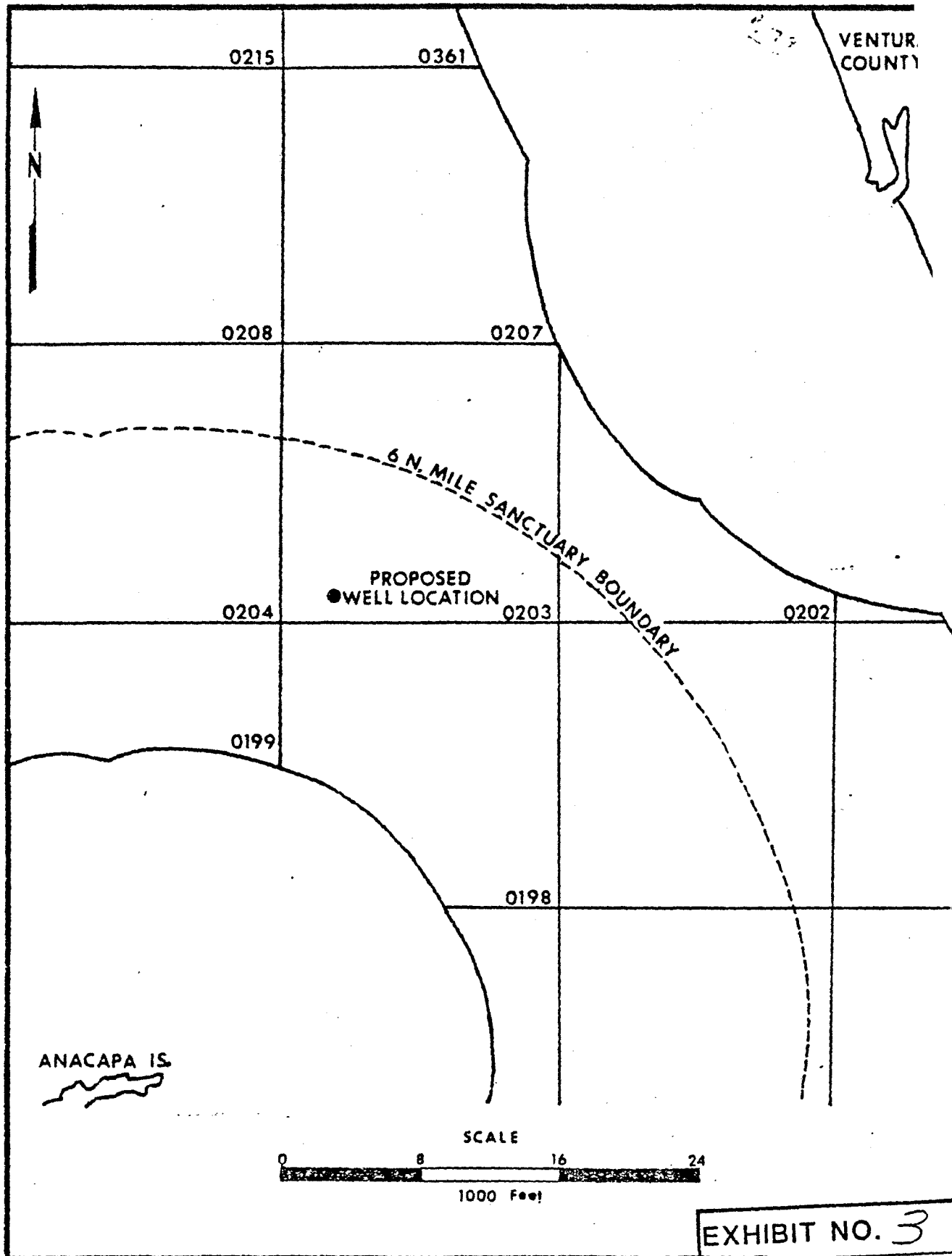


FIGURE  
III-23

BOUNDARY OF CHANNEL ISLANDS  
MARINE SANCTUARY

EXHIBIT NO. 3
APPLICATION NO. UNION
CC-12-82
California Coastal Commission

Table F-5. Potential oil and gas development impacts mitigated by NOAA's preferred sanctuary alternative

REGULATION	REASON FOR MITIGATION OF IMPACT
1. No future leasing within 6 nmi (11.1km) of northern Channel Islands and Santa Barbara Island	<ul style="list-style-type: none"><li data-bbox="870 548 1455 636">--Creates a buffer area providing increased response time for oil spill cleanup efforts;</li><li data-bbox="870 667 1455 915">--Increases the distance between potential spill/pollutant discharge point (i.e., rigs and platforms) and sensitive resource areas thereby allowing for weathering and dilution of contaminants before reaching important marine life concentration areas;</li><li data-bbox="870 947 1455 1035">--Provides a buffer between noise and visual disturbances and important marine life habitats;</li><li data-bbox="870 1066 1455 1155">--Reduces congestion by additional supply vessels which would otherwise frequent nearshore areas;</li><li data-bbox="870 1186 1455 1339">--Reduces potential visual intrusion on aesthetic values of the National Monument, the proposed marine sanctuary, and the proposed National Park;</li><li data-bbox="870 1371 1455 1402">--Reduces potential air pollution;</li></ul>
2. Requirement of additional onsite oil spill containment equipment on existing leases	<ul style="list-style-type: none"><li data-bbox="870 1434 1455 1587">--Increases the probability that, if a spill occurs, it can be reached and controlled before drifting to sensitive breeding ground and nesting areas.</li></ul>

EXISTING OCS LEASE PARCELS LOCATED WITHIN OR PARTIALLY WITHIN 6 MILES OF THE CHANNEL ISLANDS

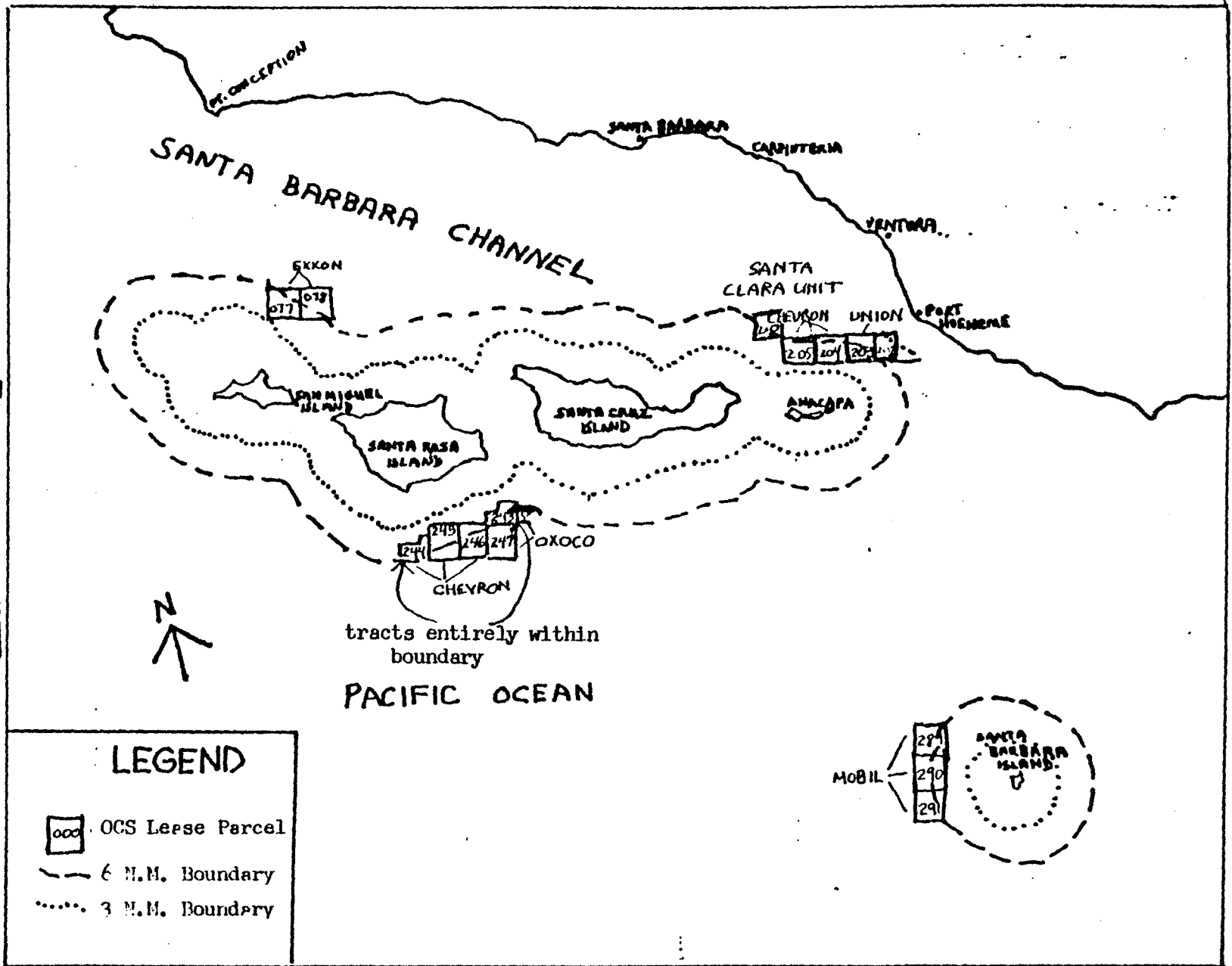
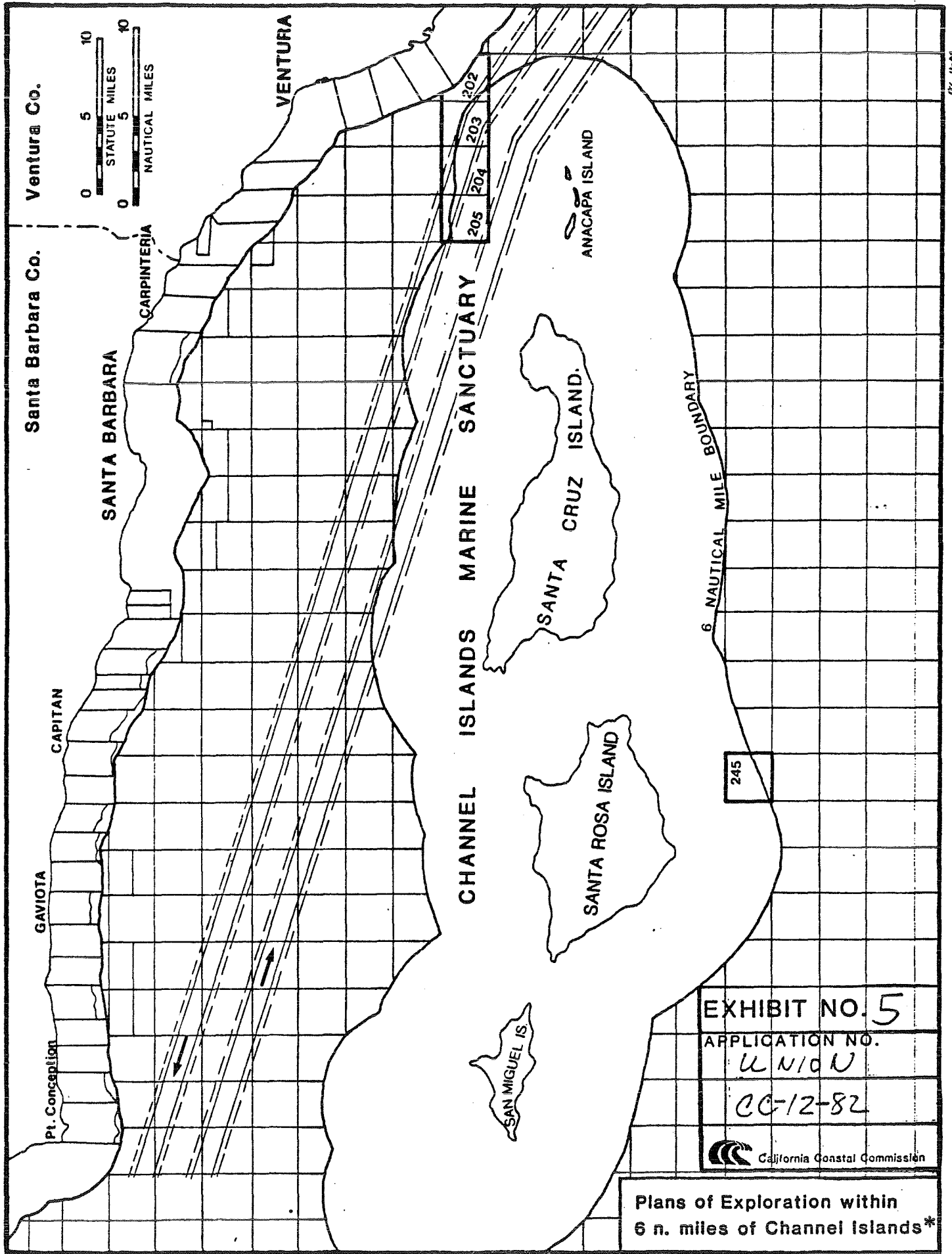


EXHIBIT 4

California Coastal Commission



\*See Chart of Commission Action for detailed information.

CHART OF COMMISSION ACTION

Plans of Exploration within or near 6 nautical miles of Channel Islands\*

	OCS lease 245 (1979) Concurrence	OCS lease 205 (1980) Objection	OCS lease 205 (1982) Concurrence	OCS lease 204 (1978) Concurrence	OCS lease 203
Project	1 gas well	1 oil well	2 oil wells	1 oil well on 204	2 oil wells
Location	4.3 n.mi. south of Santa Rosa Island	5.7 n. mi. north of Anacapa Island	6.83 n. mi. north of Anacapa Island (surface location)	8 n. mi. north of Anacapa Island	4.6 n. mi. north of Anacapa Island
Oil Spills	Oil spill trajectory low probability of oil movement in the direction of Santa Rosa and gas lease	Location of drillship near shipping lane increases risk of oil spill. Trajectory presents greatest risk during fall when drilling could be possible.	Recognized risk near shipping lanes. Extensive mitigation measures allowed Commission to find that project is approvable.	Recognized risk, but state of art containment included.	Increased risk due to shipping lane location Trajectory greatest risk in fall.
Resources	Harbor seal and sea-bird activity concentrated in March to mid-June. "Window can be established."	Endangered species (Brown Pelican) breed at Anacapa. No window can be established.	Not located within 6 n. miles of Channel Islands	Not located within 6 n. mi. of Channel Islands	Endangered species (Brown Pelican) breed at Anacapa Island. No satisfactory window.
VTSS	Not located in VTSS or its buffer zones	Located in buffer zone of northbound lane of VTSS	located in buffer zone of northbound lane, 4 mi. NW of the "dog leg", or bend. 3 mi. margin of safety needed.	navigation not reviewed because of a "vested right" prior to approval of the CCMP.	located in buffer zone of northbound lane within the dog leg. No margin of safety.

OCS lease 202 Plan of Development, Platform Gina.  
No facilities located within 6 nautical miles of Channel Islands or in VTSS.

EXHIBIT 5




# OCS Consistency Reviews - Channel Islands Area

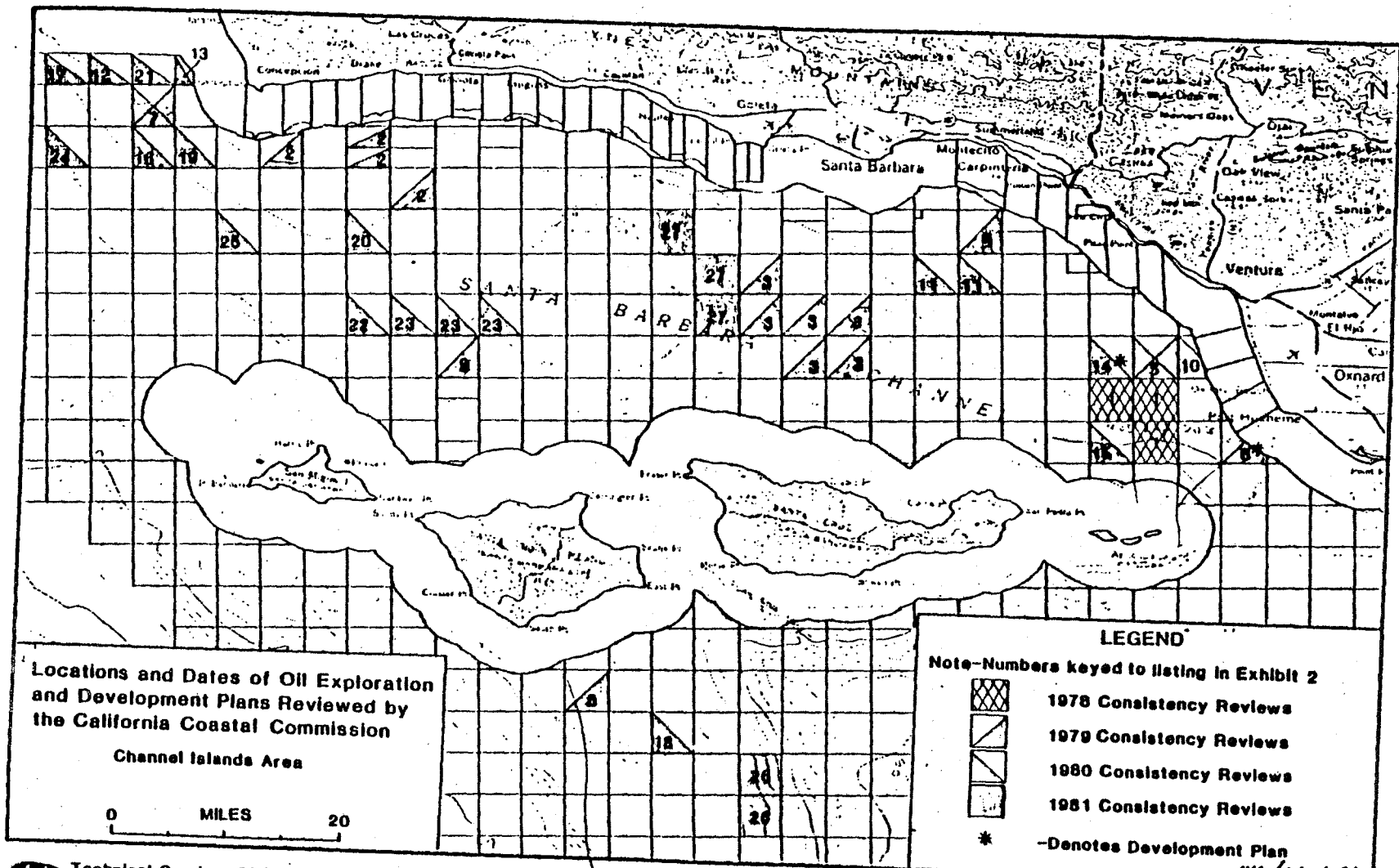
## California Coastal Commission



- |   |   |
|---|---|
| <p>1. CC-1-78 Chevron USA, Inc.<br/>OCS P-204, 208, and 209<br/>Commission Concurrence Dec. 13, 1978</p> <p>2. CC-1-79 Exxon Corporation<br/>OCS P-182, 193, 194, and 196<br/>Commission Concurrence Feb. 21, 1979</p> <p>3. CC-3-79 Exxon Corporation<br/>OCS P-222, 223, 230, 231, 232, and 238<br/>Commission Concurrence March 19, 1979</p> <p>4. CC-4-79 Sun Production<br/>OCS P-0210<br/>Commission Concurrence May 16, 1979</p> <p>5. CC-5-79 Chevron USA, Inc.<br/>OCS P-0215<br/>Commission Concurrence Oct. 3, 1979</p> <p>CC-8-80 Chevron USA, Inc.<br/>OCS P-0215<br/>Commission Concurrence Sept. 16, 1980</p> <p>6. CC-5-79 Union Oil POD<br/>OCS P-202<br/>Commission Concurrence Nov. 7, 1979</p> <p>7. CC-7-79 Mobil Oil<br/>OCS P-0321<br/>Commission Concurrence Dec. 4, 1979</p> <p>CC-2-80 Diamond/General Drilling, Ltd<br/>OCS P-0321<br/>Commission Concurrence Feb. 21, 1980</p> <p>8. CC-8-79 Chevron USA, Inc.<br/>OCS P-215<br/>Commission Concurrence Feb. 21, 1980</p> <p>9. CC-9-79 Chevron USA, Inc.<br/>OCS P-358<br/>Commission Concurrence Jan. 24, 1980</p> <p>10. CC-1-80 Shell Oil<br/>OCS P-0361<br/>Commission Concurrence Feb. 21, 1980</p> <p>11. CC-3-80 Texaco, Inc.<br/>OCS P-0346, and 0234<br/>Commission Concurrence March 5, 1980</p> <p>12. CC-4-80 Chevron USA, Inc.<br/>OCS P-0316<br/>Commission Concurrence April 15, 1980</p> <p>13. CC-5-80 Chevron USA, Inc.<br/>OCS P-0318<br/>Commission Concurrence May 21, 1980</p> | <p>14. CC-6-80 Union Oil POD<br/>OCS P-0216<br/>Commission Concurrence June 19, 1980</p> <p>15. CC-7-80 Chevron USA, Inc.<br/>OCS P-0205<br/>Commission Objection Aug. 19, 1980</p> <p>16. CC-9-80 Chevron USA, Inc.<br/>OCS P-0324<br/>Commission Concurrence Sept. 16, 1980</p> <p>17. CC-10-80 Texaco, Inc.<br/>OCS P-0315<br/>Commission Concurrence Sept. 16, 1980</p> <p>18. CC-11-80 Challenger Minerals<br/>OCS P-0213<br/>Commission Concurrence Sept. 16, 1980</p> <p>19. CC-12-80 Conoco, Inc.<br/>OCS P-0325<br/>Commission Concurrence Sept. 16, 1980</p> <p>20. CC-14-80 Conoco, Inc.<br/>OCS P-0334<br/>Commission Concurrence Nov. 18, 1980</p> <p>21. CC-15-80 Chevron USA, Inc.<br/>OCS P-0317<br/>Commission Concurrence Nov. 19, 1980</p> <p>22. CC-16-80 Chevron USA, Inc.<br/>OCS P-0348<br/>Commission Concurrence Jan. 20, 1981</p> <p>23. CC-17-80 Chevron USA, Inc.<br/>OCS P-0319, 0350, and 0351<br/>Commission Concurrence Jan. 20, 1981</p> <p>24. CC-18-80 Conoco, Inc.<br/>OCS P-0322<br/>Commission Concurrence Jan. 20, 1981</p> <p>25. CC-19-80 Champlin Petroleum Co.<br/>OCS P-0333<br/>Commission Concurrence Jan. 20, 1981</p> <p>26. CC-1-81 Challenger Minerals, Inc.<br/>OCS P-0248, and 0251<br/>Commission Concurrence June 16, 1981</p> <p>27. CC-2-81 Chevron USA, Inc.<br/>OCS P-0335, 0345, and 0355<br/>Commission Concurrence June 16, 1981</p> |
|---|---|

Source: Energy and Ocean Resources Division,  
California Coastal Commission

EXHIBIT NO. 6
APPLICATION NO. UNION
CC-12-82
 California Coastal Commission



Technical Services Division  
California Coastal Commission

2456

Exhibit 16

OBJECTIVES AND POLICIES OF THE CZMA

SEC. 302. The Congress finds that —

(a) There is a national interest in the effective management, beneficial use, protection, and development of the coastal zone.

(b) The coastal zone is rich in a variety of natural, commercial, recreational, ecological, industrial, and esthetic resources of immediate and potential value to the present and future well-being of the Nation.

(c) The increasing and competing demands upon the lands and waters of our coastal zone occasioned by population growth and economic development, including requirements for industry, commerce, residential development, recreation, extraction of mineral resources and fossil fuels, transportation and navigation, waste disposal, and harvesting of fish, shellfish, and other living marine resources, have resulted in the loss of living marine resources, wildlife, nutrient-rich areas, permanent and adverse changes to ecological systems, decreasing open space for public use, and shoreline erosion.

(d) The coastal zone, and the fish, shellfish, other living marine resources, and wildlife therein, are ecologically fragile and consequently extremely vulnerable to destruction by man's alterations.

(e) Important ecological, cultural, historic, and esthetic values in the coastal zone which are essential to the well-being of all citizens are being irretrievably damaged or lost.

(f) New and expanding demands for food, energy, minerals, defense needs, recreation, waste disposal, transportation, and industrial activities in the Great Lakes, territorial sea, and Outer Continental Shelf are placing stress on these areas and are creating the need for resolution of serious conflicts among important and competing uses and values in coastal and ocean waters:

(g) Special natural and scenic characteristics are being damaged by ill-planned development that threatens these values.

(h) In light of competing demands and the urgent need to protect and to give high priority to natural systems in the coastal zone, present state and local institutional arrangements for planning and regulating land and water uses in such areas are inadequate.

(i) The key to more effective protection and use of the land and water resources of the coastal zone is to encourage the states to exercise their full authority over the lands and waters in the coastal zone by assisting the states, in cooperation with Federal and local governments and other vitally affected interests, in developing land and water use programs for the coastal zone, including unified policies, criteria, standards, methods, and processes for dealing with land and water use decisions of more than local significance.

(j) The national objective of attaining a greater degree of energy self-sufficiency would be advanced by providing Federal financial assistance to meet state and local needs resulting from new or expanded energy activity in or affecting the coastal zone.

DECLARATION OF POLICY

Sec. 303. The Congress finds and declares that it is the national policy—

(1) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations;

(2) to encourage and assist the states to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone, giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development, which programs should at least provide for—

(A) the protection of natural resources, including wetlands, floodplains, estuaries, beaches, dunes, barrier islands, coral reefs, and fish and wildlife and their habitat, within the coastal zone.

(B) the management of coastal development to minimize the loss of life and property caused by improper development in flood-prone, storm surge, geological hazard, and erosion-prone areas and in areas of subsidence and saltwater intrusion, and by the destruction of natural protective features such as beaches, dunes, wetlands, and barrier islands.

(C) priority consideration being given to coastal-dependent uses and orderly processes for siting major facilities related to national defense, energy, fisheries development, recreation, ports and transportation, and the location, to the maximum extent practicable, of new commercial and industrial developments in or adjacent to areas where such development already exists.

(D) public access to the coasts for recreation purposes

(E) assistance in the redevelopment of deteriorating urban waterfronts and ports, and sensitive preservation and restoration of historic, cultural, and esthetic coastal features.

(F) the coordination and simplification of procedures in order to ensure expedited governmental decisionmaking for the management of coastal resources.


(G) continued consultation and coordination with, and the giving of adequate consideration to the views of, affected Federal agencies.

(H) the giving of timely and effective notification of, and opportunities for public and local government participation in, coastal management decisionmaking, and

(I) assistance to support comprehensive planning, conservation, and management for living marine resources, including planning for the siting of pollution control and aquaculture facilities within the coastal zone, and improved coordination between State and Federal coastal zone management agencies and State and wildlife agencies; and

(3) to encourage the preparation of special area management plans which provide for increased specificity in protecting significant natural resources, reasonable coastal-dependent economic growth, improved protection of life and property in hazardous areas, and improved predictability in governmental decisionmaking; and

(4) to encourage the participation and cooperation of the public, state and local governments, and interstate and other regional agencies, as well as of the Federal agencies having programs affecting the coastal zone, in carrying out the purposes of this title.

EXHIBIT NO. 7
APPLICATION NO. UNION
CC-12-82
 California Coastal Commission



# United States Department of the Interior

NATIONAL PARK SERVICE  
CHANNEL ISLANDS NATIONAL PARK  
1901 SPINNAKER DRIVE  
VENTURA, CALIFORNIA 93001

IN REPLY REFER TO:  
L7619-CHIS

June 9, 1982

## Memorandum

To: Deputy Manager, Field Operation, Pacific OCS Region,  
Minerals Management Service, 1340 W. 6th Street,  
Los Angeles, California 90017-1297


From: Superintendent, Channel Islands National Park

Subject: 655 DM 1 Review, Exploration Plan - OCS-P 0203 Nos. 5 and 6

We note with interest and some concern the fact that Union Oil intends to drill two further exploratory wells in OCS-P 0203, one of those lease tracts which lies partially within the Channel Islands National Marine Sanctuary. In fact, the two wells would be the first such activity initiated within the sanctuary since its inception. Because of our responsibility for management of the sanctuary, as well as for administration of Channel Islands National Park, we wish to make the following comments.

Channel Islands National Marine Sanctuary was established to protect and preserve the extraordinary ecosystem surrounding the islands; the resources of both the sanctuary and the park are nationally recognized as outstanding. Therefore, while we acknowledge the legitimacy of Union Oil's right to develop Tract No. 0203 (under 15 C.F.R. 935.6, allowing hydrocarbon exploration within the sanctuary as the result of any lease executed prior to the effective date of the regulations) we were disappointed that Union's analysis of the various alternatives rejected the possibilities of slant drilling from north of the shipping lanes, outside of the sanctuary boundary. We feel that such an alternative would have been safer than developing the wells within the buffer zone (as is now planned), and would have best served to protect the integrity of the sanctuary.

In addition, we are very specifically concerned that an oil spill would affect Anacapa Island, which remains the only viable nesting area for the California brown pelican within the United States. This endangered species utilizes the island throughout the year for both breeding and

EXHIBIT NO. 8
APPLICATION NO. UNION
CE-12-82
 California Coastal Commission

roosting; its nesting period alone might run from December through September. In fact, there is no time period when there is not the strong possibility of a spill affecting this bird's population.

For these same three reasons (i.e., planning to drill within the Sanctuary, planning to drill within the shipping lane buffer zone, and the possibility of harm to the Anacapa Island pelican colony), the California Coastal Commission objected to Chevron, USA's plans to develop OCS 0205 in the recent past. In spite of the conclusion found in Appendix D ("Coastal Zone Management Consistency Certification") of Union Oil's Exploratory Report, that the present plan is consistent with the California Coastal Zone Management Program, we remain very interested in the comments of the California Coastal Commission with respect to this plan, to see whether it agrees with such a consistency determination.

In addition, while it seems that the Diamond M. General has most of the equipment called for in the above regulations, we request that you remind Union Oil of the obligation that there be 15 bales of oil sorbent material onsite (15 C.F.R. 935.6(b)(3)), as well as that equipment which was listed on page 3 of the Safety and Contingency Plan.

Thank you for the opportunity to comment. Please keep us apprised of the fate of this particular exploratory plan.

Y07 William H. Ehorn

William H. Ehorn

Separation Zone            2 n. mi.  
 Vessel Traffic Lane        1 n. mi.  
 Buffer Zone                    500 m.

----- 6 nautical miles from Channel Islands

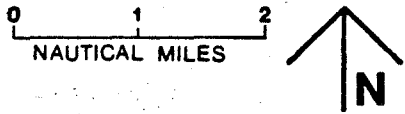
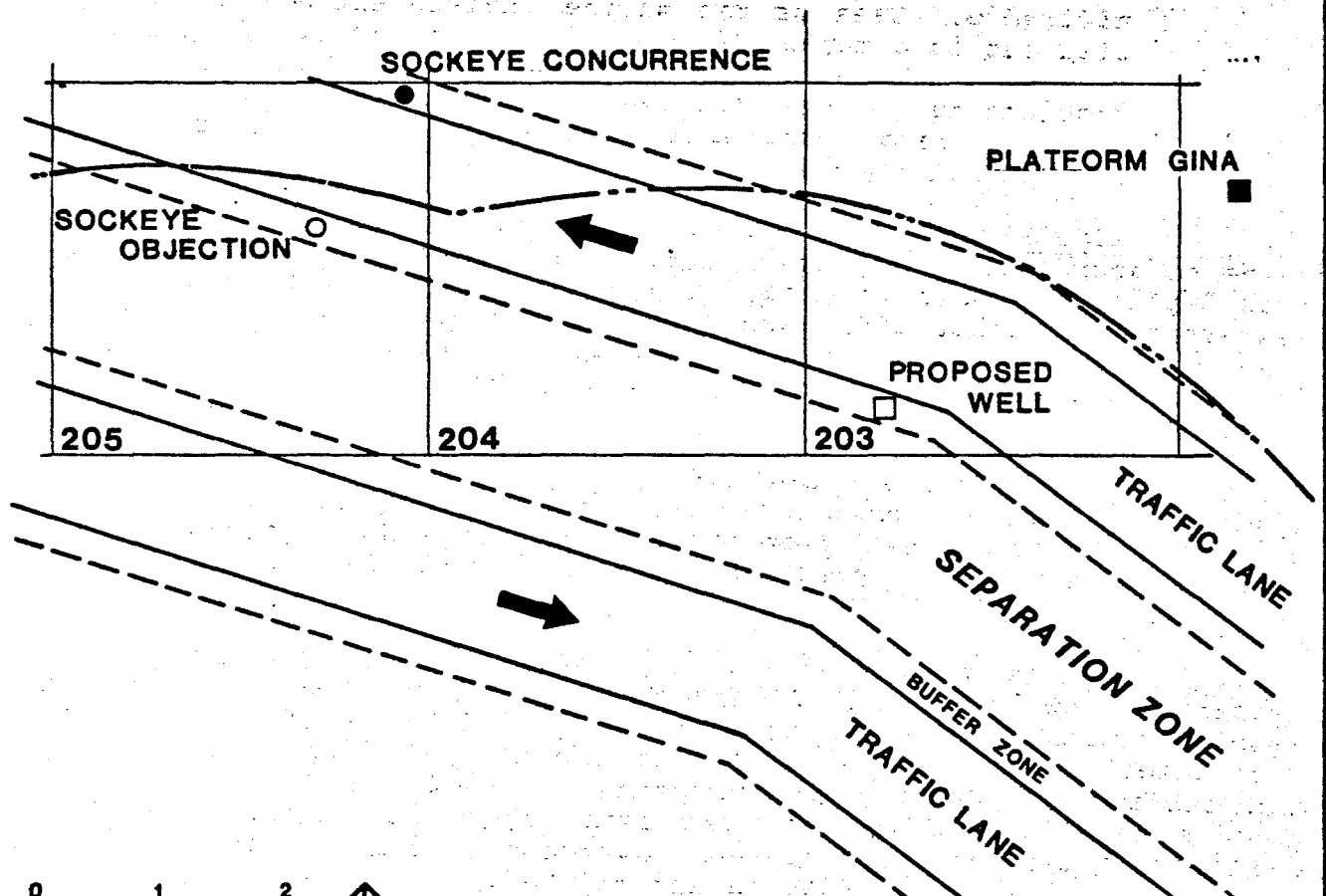



EXHIBIT NO. 9
APPLICATION NO. UNION
6-12-82
 California Coastal Commission

APPENDIX D

COASTAL ZONE MANAGEMENT  
CONSISTENCY CERTIFICATION

The proposed activities described in detail in the Exploration Plan and Environmental Report comply with and will be conducted in a manner consistent with the California Coastal Management Program (CCMP). The policies of the CCMP which may relate to the proposed exploration activities are contained in Sections 30230, 30232, 30240, 30260, and 30262 of the California Coastal Act.

Section 30230, Protection of Marine Resources

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.

ASSESSMENT: The entire Santa Barbara Channel area contains an abundance of important marine resources. Section III(E) of this Report describes in detail the seabirds, marine mammals, fish resources, and other flora and fauna of the area. The brown pelican, which breeds on Anacapa Island, is of special concern because it has been identified as an endangered species.

Union's proposed exploration activities on lease OCS-P 0203, at a location 5.5 miles\* north of Anacapa Island, will be carried out in such a manner that the living marine resources of the area will be adequately protected. The proposed project will not cause an unacceptable risk to these resources for the following reasons:

1) The impacts of routine drilling operations are slight, temporary, and localized: A very minor impact on some living marine resources within a small geographic area at the site of the proposed activities may occur as a result of the discharge of drilling muds and cuttings. However because benthic, planktonic, and nektonic species will recolonize the area soon after the completion of the drilling activities, no permanent adverse effect on the resources as a result of these discharges is anticipated.

There is no evidence that cetaceans, pinnipeds, or seabirds are adversely impacted by routine drilling operations, especially where the drilling site is over five miles from the areas where

\* "Miles" means statute miles unless otherwise indicated.

ATTACHMENT  
- 1 -  
UNION  
CC-12-82

these animals are concentrated. Section IV(E)(2) of this Report contains a complete discussion of the scientific evidence concerning the impact of drilling muds on marine resources.

The U.S. Environmental Protection Agency and the MMS strictly regulate discharges into the marine environment, including the discharge of drilling muds and cuttings. The ocean disposal of oil-contaminated waste is prohibited. The proposed well locations are beyond 1,000 meters of State waters; according to a policy established by the Commission in 1980, discharges of drilling muds and cuttings from operations conducted more than 1,000 feet from the State's 3-mile boundary do not affect the coastal zone.

2) The probability of a large oil-spill occurring as a result of Union's proposed temporary activities is extremely remote; furthermore, even if such a spill occurred, the chance that it would reach Anacapa Island is slight: Section IV(E)(3) of this Report discusses the oil spill risk probability associated with the proposed exploratory drilling operations. It points out that there has never been a major oil spill in U.S. waters caused by exploratory drilling and that oil spills are rarely associated with loss of well control events (blowouts) which occur very infrequently during exploration.

The results of the oil spill trajectory analysis performed for nearby Platform Gina (where the wind patterns, currents, and other physical parameters are similar to those in the project area) is also provided in Section IV(E)(3). It indicates that most wind conditions experienced in the project area would move spilled oil toward the mainland; oil spills would reach the northern Channel Islands only during the relatively infrequent Santa Ana wind conditions experienced during the fall and winter.

These analyses support the conclusion that the chance of an oil spill occurrence is extremely remote, and that even if a spill occurs, the chance of it reaching Anacapa Island is slight.

3) Union's exploration activities will be conducted so that, in the unlikely event that a spill does occur, its impacts on the marine resources of the area would be minimized: As discussed in detail in Section IV(E)(3) of this Report, the State of California is particularly concerned about the impact of OCS exploration activities on the endangered brown pelican which inhabits, breeds, and fledges on Anacapa Island.

The question of how the brown pelican population would be affected by a major oil spill has not been definitively answered by the experts. There is general agreement, however, about the factors which could influence the magnitude of the impact of a spill on the pelican. The most important of these factors is the time of the year when the oil spill occurs.



Union is proposing to conduct its activities in November, December, and early January. This is the period when risks to the pelican would be minimized because the population concentration is lowest at this time of year and no breeding activities are occurring. The estimated 75-day drilling period will be completed about the time that the pelicans begin breeding activities. Thus, even in the exceedingly unlikely event that a worst-case spill reached Anacapa Island, a minimum number of non-breeding adult pelicans would be impacted.

Given the insignificant effects of routine drilling operations on marine resources, the extremely remote probability of an oil spill, and the choice of a drilling schedule which coincides with the brown pelican's "window of least vulnerability", it can be reasonably concluded that no unacceptable risk of harm would arise from the proposed exploration activities.

FINDING: No significant adverse impact on the marine resources of the area is likely to occur as a result of Union's proposed activities. The activities will not decrease the biological productivity of the nearby area or endanger the health of any population of marine organisms, including the brown pelican.

#### Section 30231, Commercial Fishing

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained, and where feasible restored...

ASSESSMENT: Any conflicts between the proposed exploratory operations and fishing activities will be minor and short-term.

Lease OCS-P 0203 is located within Fish Blocks 683 and 684 and in the vicinity of 664 and 665. Although commercial fishing activities take place throughout these blocks, fish catch data indicate that fishing activities are heavier in the shallower water of the Oxnard Shelf and the Channel Islands Platform north and south of lease OCS-P 0203 than in the deeper waters on the lease. Thus, the estimated 650 acres (0.76 square nautical miles) of fishing space that will be removed during the short-term drilling operations is not in an intensely fished area.

FINDING: No significant adverse impact on commercial fishing will occur as a result of Union's proposed exploratory activities.

#### Section 30232, Protection Against Spills

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.

ASSESSMENT: The best available oil spill containment and cleanup equipment will be aboard the DIAMOND M GENERAL as the "first line" of defense for a major spill or to contain and clean up small spills that may occur. The onboard equipment will comply with all MMS requirements and with the requirements imposed by the California Coastal Commission in the past. On-board equipment will include:

- one Vikoma Sea-Pack Deployment Containment System
- 1,600 feet of open ocean oil spill containment boom
- one oil skimming device capable of open ocean use, with transfer pipe and hose
- bales of oil sorbent material capable of containing 15 barrels of oil
- a 21' Boston Whaler with a 125-HP motor capable of deploying the oil spill boom on the site
- container capable of storing a minimum of 29 barrels of oil

Deployment time for this equipment would be immediate, utilizing either the crewboat or the onboard boom deployment boat.

It is also important to note that Union has immediate access to oil spill containment and cleanup equipment, including boom deployment boats, located on Platform Gina (3.3 miles away) and Platform Gilda (8.1 miles away). This equipment, which is described in Union's Exploration Plan, could be transported to the area immediately and deployed in 45-60 minutes depending on equipment loadout time and weather conditions. For a more detailed description of the response times, see II.J(3) of the Environmental Report.

The second line of defense, which would be employed if a spill of 50 barrels or more occurs, is mobilization of the Oil Spill Cooperatives and then, as indicated, also the federal, State, and local agencies. The Oil Spill Cooperative for the Santa Barbara Channel is Clean Seas. The Oil Spill Cooperatives for the water south of Ventura include the Southern California Petroleum Contingency Organization (SCPCO) and Clean Coastal Waters (CCW). These cooperatives will be notified immediately in the event of a spill and will be called to the site if the spill is beyond the capability of the onsite equipment. The Oil Spill Response Vessel, MR. CLEAN I, could be onsite in under 5 hours in typical weather conditions. The Tide-Mar VII barge, which has a capacity of 7,840 barrels, could respond to a request for assistance in approximately 8 hours.

It is difficult to launch the small boom-deployment boat during periods of adverse sea conditions exceeding 6 to 8 feet. On an average, wave heights greater than 6 feet occur only 7% of the time in the eastern Channel.

The procedures for preventing and reacting to oil spills are described in detail in Union's Oil Spill Contingency Plan. The oil spill containment and cleanup equipment provides maximum feasible mitigation of oil spill risks.

FINDING: The proposed activities are consistent with the policy to protect against oil spills because: 1) all possible protective measures will be taken to prevent accidental spills; and 2) in the unlikely event that an oil spill occurs, all available means will be taken to mitigate its impacts and to insure that it does not adversely impact the living marine resources of the area.

#### Section 30240, Environmentally Sensitive Habitats

- (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.

ASSESSMENT: There are no known environmentally sensitive areas on or immediately adjacent to lease OCS-P 0203. The proposed drill site is approximately 1.4 miles within the Channel Islands Marine Sanctuary and 5.5 miles from Anacapa Island.

The importance of Anacapa Island as a habitat area for the brown pelican is discussed under Policy 30230. As explained in that discussion, Union proposes to conduct its exploration activities during the period of the year when brown pelicans are present in low numbers (November and December). This will insure that, in the remote event that an oil spill occurs which reaches Anacapa Island, the impact on the pelican population will be minimized. Drilling at this time of the year will also minimize any possible adverse impact on the harbor seal population which breeds on Anacapa Island in March and May and the California sea lion, which may breed on Anacapa in June and July.

Other important habitat areas are described in Section III(E) of this Report. They also will not be degraded by the proposed activities.

FINDING: The proposed exploration activities will be conducted so that adverse environmental impacts on important habitat areas will be avoided. The habitats in the area of the project area will not be significantly degraded.

Section 30262, Oil and Gas Development

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.

ASSESSMENT: Union's proposed surface location is 500 feet south of the northbound vessel traffic lane. Other, more desirable surface locations have been identified by Union; however, Union has modified its drilling plan so that the proposed location is as far outside the northbound shipping lane as is technically possible and still allow the company to reach its geologic objectives.

The proposed location is within the 500-meter buffer zone of the lane. In past consistency determinations, the Coastal Commission has expressed reservations about exploration activities conducted in the buffer zone.

In 1980, the Commission contracted with the National Maritime Research Center (NMRC) to conduct a Risk Management Program for the Santa Barbara Channel to determine means to minimize risks to facilities and to the environment resulting from offshore oil and gas resource recovery activities and vessel traffic in the Channel. The express purpose of the study was to develop a basis for California Coastal Commission use in making federal consistency determinations relative to offshore drilling and production activities and construction. A complete description of the results of the study is presented in Section IV(D)(1) of this Report. One of the important conclusions of the study is that temporary exploration activities within the buffer zones of the vessel traffic lanes do not pose an unacceptable navigational risk if there is open sea in adjacent areas for maneuvering (Santa Barbara Channel Risk Management Program, 1981; Chapter 9, Conclusions and Recommendations). The Coast Guard has indicated that such maneuvering space is available if the mobile exploratory drilling unit is separated by at least two miles along the axis of the TSS from any other rig, temporary or permanent, which is within 1000 meters of the traffic lane on the opposite side of the lane. Union will cooperate fully with MMS, other regulatory officials, and lessees of adjacent tracts to insure that the recommended open sea is provided while temporary drilling activities are being conducted on lease OCS-P 0203.

Union also will take the additional mitigating measures listed in Section IV(D)(1) of this Report. These measures go beyond

the conditions imposed by the U.S. Coast Guard to enhance safety to navigation and include all the features accepted by ship operators in the Santa Barbara Channel in the joint "White Paper" recently signed by the Pacific Merchant Shipping Association, the Los Angeles Steamship Association, and the Western Oil and Gas Association. In that paper, the shipping industry took the position that exploratory structures should be allowed in all areas of the Channel except in the sea lanes and the fairway approach to Port Hueneme, provided the safeguards which Union agrees to are taken.

The Coast Guard believes that exploratory drilling can safely take place within the 500-meter buffer zones of the shipping lanes if its conditions for safe navigation are met. The mitigating measures Union proposes exceed the Coast Guard requirements because Union proposes to maintain 24-hour radar observation with radio capability to communicate with approaching vessels.

Now that the results of the Risk Management Study are available and the positions of the Coast Guard and shipping industry are well-articulated, the Commission has the information necessary for concluding that temporary activities within the buffer zone are consistent with Section 30232 of the Coastal Act, which requires the protection of coastal resources against the spillage of oil, and Section 30262(d), which prohibits drilling activities in areas of substantial navigational risks.

FINDING: The location of the temporary exploration activities within the buffer zone of the northbound Santa Barbara vessel traffic lane does not pose unacceptable navigational risks and is therefore consistent with the California Coastal Program.

Section 30260, Industrial Development Location on Expansion Policy

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 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.

ASSESSMENT: In the past, the Coastal Commission has generally opposed oil and gas exploration and development activities within six nautical miles of the northern Channel Islands. However, the Commission has created an exception for exploration activities on leases such as lease OCS-P 0203 which were issued prior to the establishment of the Marine Sanctuary in the area. To fit into this exception the following conditions must be met:

- 1) The lease tract must first have been explored from adjacent leased areas outside the six nautical mile buffer zone and the likelihood of an oil or gas field extending underneath the buffer zone demonstrated by such exploration;
- 2) The applicant must have demonstrated that the most favorable hydrocarbon bearing structure can only be explored from within the buffer zone;
- 3) The well proposed for the buffer zone must be a delineation well to determine the extent of the demonstrated hydrocarbon field;
- 4) The lessee must provide maximum feasible mitigation measures; and
- 5) The public welfare would be adversely affected if the proposed activities are disallowed.

If these conditions are met, the Commission may find a proposed exploratory drilling project within the six-nautical mile boundary consistent with the coastal program even if, in the opinion of the Commission, the requirements of Sections 30230 (Protection of Marine Resources), 30232 (Protection Against Spills), 30240 (Environmentally Sensitive Areas), and 30262(d) (Oil and Gas Development) are not met.

The Union proposal fits squarely into the exception created by the Commission for pre-existing leases because:

1) *Lease OCS-P 0203 has been explored from adjacent leases outside the six-nautical mile buffer zone and the likelihood that the Hueneme oil field extends under a substantial portion of the lease has been demonstrated:* Lease OCS-P 0203 was awarded to Union and Mobil in 1969, long before the idea for the establishment of a marine sanctuary around the Channel Islands was conceived. Four exploratory wells were drilled on the lease by Mobil in 1968. These four wells, in conjunction with five additional wells on adjacent lease OCS-P 0202 (four by Mobil and one by Humble) and extensive geophysical data, established the existence of the Hueneme Field--a northeast-southwest trending anticlinal structure with nearly 200 feet of vertical closure. A high angle reverse fault supplies closure to the south.

Mobil's lease OCS-P 0203 No. 2 penetrated 86 feet of productive basal Miocene sands on the northeast nose of this structure. Exxon's well OCS-P 0199-1, drilled about two miles southeast of this anticline, had about 350 feet of basal Miocene sand of which at least 300 feet appears to be good reservoir rock. Humble's well OCS-P 0205-1 well to the west shows good Sespe and Eocene sand development.

Based on this evidence, Union believes that the Hueneme oil field may extend under a substantial portion of lease OCS-P 0203. In fact, the most current geological interpretations indicate that the largest hydrocarbon trap within this structure probably lies wholly within the six-nautical mile boundary.

2. *The Hueneme Field extending under lease OCS-P 0203 can be explored only from within the six-nautical mile buffer zone:* Union's current geologic interpretation shows the potentially largest hydrocarbon trap of the Hueneme Field to be wholly within the Marine Sanctuary. Mobil's OCS-P 0203 No. 2 well penetrated a productive, oil-bearing sand on the end of this structure nearest the Sanctuary boundary. Unfortunately, the sand encountered was not thick enough to contain enough oil to merit field development. The purpose of this exploratory drilling is to determine the extent and thickness of this sand on the other end of the structure to further delineate the field and define the exact magnitude of the deposit. This unexplored end of the structure is in the southwest corner of the lease and cannot be reached by directionally drilling even a very high angle hole from outside the Marine Sanctuary.

3. *Proposed wells OCS-P 0203-5 and 0203-6 will be delineation wells, designed to delineate the sedimentology of the southwest portion of the Hueneme Field:* The previously drilled exploratory wells have established the structure and the existence of reservoir quality sands and hydrocarbon saturations in noncommercial quantities in the general Hueneme Field area. Mobil's well OCS-P 0203-2 confirmed the existence of a producible reservoir sand in the structural trap of interest. The intent of the proposed wells is to determine the extent of the sand within the structure in order to define the resource and the economic viability of future development operations. Proposed well OCS-P 0203-5 lies almost directly between Mobil's well OCS-P 0203-2 and Exxon's well OCS-P 0199-1. The interpretation of the results of these two wells strongly suggest the existence of a productive sand across the geologic structure. The purpose of Union's well OCS-P 0203-5 would be to determine if this is a continuous sand of increasing thickness, or if it exists only in lenticular deposits. It is possible that a reservoir of sufficient size and productive capacity exists to merit development operations, including the utilization of production facilities located outside the six-nautical mile boundary.

4. *The possible adverse environmental impacts of the proposed activities will be mitigated to the maximum extent feasible; as a result of this mitigation, the proposed activities do not pose an unacceptable risk to the environment:* As indicated in the previous discussion in this Appendix and in Section IV(E) of this Report, the only substantial adverse environmental impact that could arise from the temporary exploratory activities proposed by Union would be from a major oil spill that reached Anacapa Island. The probability of such an oil spill occurring is extremely remote; nevertheless, Union has further minimized the possible adverse impact associated with such a spill by proposing a drilling date which corresponds to

the period when the most sensitive population residing on Anacapa--the brown pelican--would be least affected. By doing this Union has adequately mitigated the very small risks associated with the proposed drilling activity.

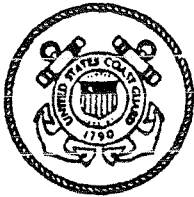
5. *The public welfare will be adversely affected if the exploration activities are not allowed:* The information which would be derived from the drilling of the proposed wells is vitally important to establish the economic viability of potential future field development. If Union is deprived of the opportunity to undertake the very temporary exploration activities it proposes, the critical resource information which is necessary to determine the feasibility of production operations will remain unavailable. This will adversely affect the public welfare by depriving the public of defining an additional domestic energy resource and its possible contribution to domestic energy self-sufficiency.

#### SUMMARY AND CONCLUSIONS

The information provided in this Environmental Report supports Union's position that the proposed drilling activities on lease OCS-P 0203 do not pose unacceptable risks to the environment of the project area or to nearby environmentally sensitive habitat areas. The already small risk probabilities associated with an oil spill which would impact Anacapa Island are further minimized by Union's drilling schedule, which calls for drilling during the months when the pelican population of Anacapa would be least vulnerable to oil spill impacts. Accordingly, Union believes that the proposed activities are consistent with all relevant coastal policies.

Regardless of the Commission's concurrence with Union's conclusion that the proposed activities are consistent with the policies calling for protection of marine resources and environmentally sensitive habitats and protection against oil spills and navigational hazards, it should nevertheless approve the project under Section 30260 of the California Coastal Act. This policy is applicable because the proposed activities require a site on or adjacent to the sea to be able to function, and meet both the three conditions for approval set out in the policy and the conditions created by the Commission for exploration on pre-existing leases in the Channel Islands Marine Sanctuary.





DEPARTMENT OF TRANSPORTATION  
UNITED STATES COAST GUARD

MAILING ADDRESS:  
COMMANDER (mes)  
ELEVENTH COAST GUARD DISTRICT  
UNION BANK BLDG.  
400 OCEANGATE  
LONG BEACH, CA. 90822

RECEIVED

16465/53  
22 October 1982

OCT 25 1982

CALIFORNIA  
COASTAL COMMISSION

Ms. Jane Cohen  
Union Oil Company of California  
9645 S. Santa Fe Springs Road  
Santa Fe Springs, CA 90670

Dear Ms. Cohen:

This letter confirms your discussion on 21 October 1982 with the Region IX RRT dispersant working group. The objective of this letter is to assist you in providing information which will assist the RRT and EPA in speeding up the dispersant use decision. In summary we requested you submit with or as a part of your Oil Spill Plan the data listed below:

1. Oil Movement data - Trajectories for surface currents and wind conditions (combinations of velocities and directions) which would reasonably be expected to occur during the proposed drilling period. If there is question concerning the drilling period, that data should be expanded to include those uncertainties. This should include incremental projections up to 48 hours for oil alone as well as dispersed oil for each wind case defined.
2. Resource Information - For situations where dispersant use would be indicated, provide a comparison of sensitive resources and habitats which would be exposed to oil alone or dispersed oil for two cases; (1) if dispersants are not used, and (2) if dispersants are used.
3. Detailed information on the composition and characteristics of the oil anticipated from the delineation wells. A description/rationale concerning the type of dispersant selected and its expected effectiveness as applied over time.
4. Detailed description of dispersant application systems planned for use with response times, application techniques and strategies and coverage capability.
5. Discussion of potential spill sizes and what spill response situations would lead to the request to use dispersants.

The Region IX RRT dispersant use guidelines categorize the information needed to make dispersant use decisions. I encourage you to submit as much of that data as possible in a format which is manageable. We are prepared to act on your submission as quickly as possible. As we have discussed, there has never been a plan which we have been able to recommend for approval without at least one iteration.

ATTACHMENT-2-

16465/53  
22 October 1982

In order to speed our dispersants review process, please send pertinent sections of the draft Oil Spill Plan and the data above to each of the dispersants working group member listed below.

Sincerely,



E. A. ONSTAD  
Commander, U.S. Coast Guard  
Executive Secretary  
South Coastal Response Team

- Copy:
- (1) CDR George Brown, Twelfth Coast Guard District(m), Government Island, Alameda, CA 94501
  - (2) David Mowday, EPA Region IX, 215 Fremont Street, San Francisco, CA 94105
  - (3) Randall Smith, Pollution Response Coordinator, U.S. Fish and Wildlife Service, 2800 Cottage Way, Rm E-2727 Sacramento, CA 95825
  - (4) Robert Pavia, NOAA Hazardous Materials Response Project, 7600 Sand Point Way NE. Bin C15700, Seattle, WA 98115
  - (5) LCDR L. E. Keisler, OMPA Pacific Office, RD/MPF 25 - Bin C15700, 7600 Sand Point Way NE., Seattle, WA 98115
  - (6) Ed Simons, State Agency Coordinator, California Department of Fish & Game, 1416 Ninth Street, Sacramento, CA 95814
  - ✓(7) Brian Baird, California Coastal Commission, 631 Howard St., 4th Floor, San Francisco, CA 94105
  - (8) Patricia S. Port, Regional Environmental Officer, Department of the Interior, P.O. Box 36098, San Francisco, CA 94102
  - (9) Harry Cypher, Pacific OCS Region, Minerals Management Service, 1340 West Sixth Street, Los Angeles, CA 90017

# Memorandum

To : Tom Tobin

Date : November 4, 1982

Subject: Union Exploratory  
Wells 203-5, 203-6

From : Richard McCarthy, Geologist  
California Coastal Commission

On October 26, 1982, I met with exploration staff from Union Oil Company to review the plans of exploration for proposed wells 203-5 and 203-6. During this three hour meeting, I reviewed drilling data, cross sections, seismic sections, cost projections, logs of existing wells, reservoir information, and subsurface structural information depicting the entire play. (prospect) A summary of the technical data presented in this meeting is as follows:

- ° Two exploratory wells to be drilled from the same surface location are proposed.
- ° The petroleum play is located entirely within the marine sanctuary and appears to lie beneath the northbound shipping lane.
- ° The formation to be tested is the Hueneme sand located at a depth of approximately 5000 feet below sea level.
- ° The proposed drilling site is located in the buffer zone on the south side of the northbound shipping lane.
- ° The depth of water at the proposed drilling site is 780 feet.
- ° No submarine slumping exists on the sea floor at the proposed drilling location.
- ° Platform Gina is located approximately three miles northeast of the prospect. This distance combined with the depth of the zone to be tested prohibits exploration or production of the play from platform Gina.
- ° Drilling angle buildup for the two wells will occur at a rate of 4 degrees per hundred feet drilled up to a maximum hole deviation of 30 degrees and then drop angle to 20 degrees within the Hueneme sand. Drilling angles within the Hueneme sand are critical due to the tendency for borehole caving. A high angle bore hole within the Hueneme sand will be difficult to maintain and could make logging operations extremely difficult.
- ° Mobil well 203-2, drilled in 1969, tested the eastern section of the play. The Hueneme sand produced 388 bbls per day of 14 gravity oil.
- ° Exxon well 199-1, located approximately 3.2 miles southwest of Mobil 203-2 was a dry hole. However, a large section of hueneme sand was logged at this location indicating a thickening trend in a southwesterly direction from Mobil well 203-2.

ATTACHMENT 3

- The purpose of the two proposed exploratory wells is to define the limits of the oil water contact and determine the thickness of the Hueneme sand between the two previously drilled wells. Not only must the limits of the reservoir be delineated, but an average thickness of the producing zone is needed to calculate the economic potential of the entire reservoir.
- Any feasible surface location within the buffer zone north of the northbound shipping lane is within the marine sanctuary. A surface location in this area is not as technically desirable due to this distances and drilling angles involved. In addition, structural data indicate that information obtained from approaching the play from the north will be much more limited, thus almost ensuring the need for the second exploratory well. There is a distinct possibility that the reservoir may be completely evaluated as to its production potential by drilling one exploratory well from the south. However, the decision as to whether the second well is to be drilled can only be made based on the data gathered from the first exploratory well.
- The estimate of 75 to 90 days to complete both exploratory wells is a reasonable time estimate.
- Technically, production from a portion of this reservoir could be accomplished from a platform located outside the marine sanctuary. The whole field could not be developed from outside the sanctuary, The economic feasibility of producing from outside the marine sanctuary would need to be determined by drilling one or two exploratory wells to properly evaluate the Hueneme sand.
- Any economical production from this prospect will require a waterflood program. Both production and injection wells must be drilled for proper development of the field.

CC-12-82

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

December 1, 1983



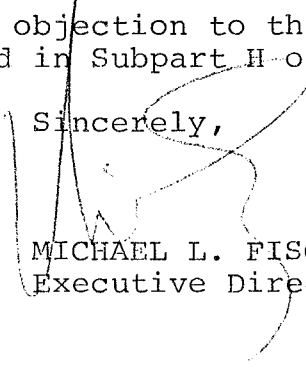
Timothy R. Thomas  
Union Oil Company of California  
Union Oil Center  
Los Angeles, CA 90017

Dear Mr. Thomas:

The California Coastal Commission hereby confirms that on November 15, 1983 the California Coastal Commission objected to Union's Consistency Certification for the OCS Plan of Exploration for OCS P-0203 in the Santa Barbara Channel. This notice is given pursuant to 15 CFR 930.79(c). The attached Revised Findings provide a detailed discussion of the objection under relevant sections of the California Coastal Management Program, describing how the proposed activity is inconsistent. Unfortunately, the report indicated that there are no alternative measures that would permit the activity to be conducted in a manner consistent with the CCMP.

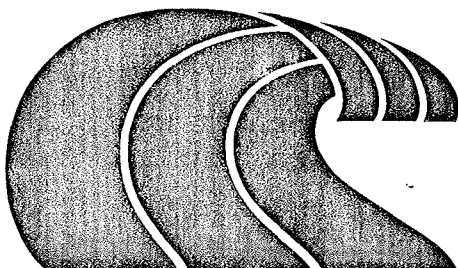
Union has a right to appeal this objection to the Secretary of Commerce on the grounds described in Subpart H of 15 CFR 930.

Sincerely,

  
MICHAEL L. FISCHER  
Executive Director

Attachment

cc: Assistant Administrator, NOAA  
Area Oil and Gas Supervisor, Minerals  
Management Service



State of California, George Deukmejian, Governor

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

Michael L. Fischer, Executive Director  
William Travis, Deputy Director

NOTED-DUNAWAY

~~SHAWKEL~~  
E. LEE

File Number:	CC-12-82
Date Received:	9/23/83
3 Months Period Ends:	12/22/83
Hearing Date/Item No.:	11/15/83, 7a



STAFF RECOMMENDATION ON CONSISTENCY CERTIFICATION

APPLICANT:

Union Oil Company of California

FEDERAL PERMITS THAT REQUIRE CONSISTENCY CERTIFICATION:

- Amended OCS Plan of Exploration
- Exploratory Drilling Permit
- U.S. Coast Guard Approval of U.S. Army Corps of Engineers Permit
- U.S. Army Corps of Engineers Permit
- Environmental Protection Agency NPDES Permit

PROJECT LOCATION:

Outer Continental Shelf, OCS-Parcel 0203 in the Hueneme Field, approximately 4.8 nautical miles north of Anacapa Island, in the buffer zone of the northbound traffic lane of VTSS, approximately 11 nautical miles south of the City of Ventura (Exhibits 1, 2, 3)

PROJECT DESCRIPTION:

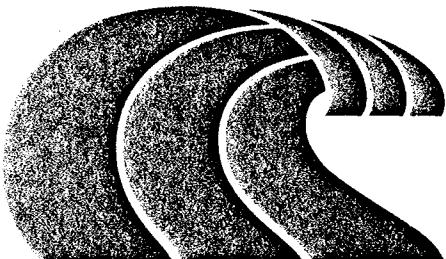
Two exploratory wells from same surface location using an anchored drillship, Diamond M General. Total Project Duration - 45-75 days.

STAFF REPORT

I. Staff Note

The Commission objected to Union's Plan on November 17, 1982. Union appealed the objection to the Department of Commerce but has withdrawn the appeal to allow Union to submit an amended Plan to the Commission. In an effort to determine if there were any possible alternatives to objection, the staff has met with Union on numerous occasions, beginning with consultation on October 19, 1981, over two years ago. Union has been cooperative and positive in trying to resolve problems that led to the Commission's objection to the initial POE. The staff recommendation is based on the amended Plan. Under the federal consistency regulations the Commission has three months in which to act on this Plan.

II. Applicant's Consistency Certification and Findings. The applicant has submitted a letter to the Minerals Management Service, dated September 22, 1983, that it intends as an equivalent to a consistency certification for its amended OCS Plan. The letter, Appendix B, includes commitments not to propose any platform within the Marine Sanctuary even if oil is found within the Sanctuary, to drill in



winter from November to mid-January when risk to the Brown Pelican population is lowest, to conduct a vessel traffic study and equip its drill rig with any safety features identified in the study or Chevron's similar study on OCS P-0205, to conduct its drilling operations "in the shortest feasible time," and to "rely on the judgment of the Coastal Commission" to settle the issue of disposal of drill muds and cuttings.

#### STAFF RECOMMENDATION

The staff recommends that the Commission adopt the following resolution, findings and declarations:

The Commission finds and declares as follows:

##### I. Objection:

The Commission objects to the Consistency Certification made by Union Oil Company of California because the amended Plan of Exploration affects the coastal zone and does not meet the policies of the approved California Coastal Management Program (CCMP) and is therefore inconsistent with the CCMP. Specifically, the Commission finds that Union's Plan of Exploration fails to meet the enforceable policy requirements of Sections 30230, 30231, 30232, 30240(a), 30250, 30260, and 30262 of the California Coastal Act (Section 30,000 et seq. of the California Public Resources Code). The Commission further finds that the amended Plan of Exploration fails to implement the national interest as specified in Chapter 11 of the CCMP and Sections 302 and 303 of the CZMA. The Findings and Declarations that follow explain in detail the effects that this proposed activity has on the coastal zone, how the activity is inconsistent with the specific mandatory provisions of the CCMP, and what alternative measures exist (if any) for Union to achieve its purpose of developing the oil field in a manner consistent with the CCMP. Union has the right to appeal this objection within 30 days to the Secretary of Commerce on the grounds described in 15 CFR Part 930, Subpart H.

##### II. Findings and Declarations

###### A. Project Description

Union Oil Company of California proposes to drill two exploratory wells on lease OCS P-0203 located in the eastern Santa Barbara Channel 504 feet from the northbound shipping lane within the VTSS buffer zone and within the boundaries of the Channel Islands National Marine Sanctuary. (Exhibits 1, 2, 3) The wells will be drilled from the same surface location, extending a maximum depth of 6,000 feet. The bottom hole location will extend under the shipping lane. The results of the first well affect plans for drilling the second well. The proposed well-site is 3.3 miles southwest of Platform Gina, currently producing oil from the Hueneme Field. In 1969, Mobil drilled four exploratory wells on the lease between the proposed well-site and platform Gina. Exxon has drilled 1 exploratory well southwest of the drill-site on an adjacent lease. Union originally proposed to drill within the sea lane itself but revised the drill-site location after consultation with the Commission staff, Commerce Department, MMS and U.S. Coast Guard. The present proposed location requires directional drilling angles up to 40°. Information from this exploratory drilling will be used to decide whether to develop the Hueneme Field and where to install a platform. In all likelihood, Platform Gina will not handle production from this field. (Exhibit 4)

## B. Background

### 1. Channel Islands Prior to Designation as a Marine Sanctuary

The Commission and the State of California have long recognized and protected the environmental resources of the Channel Islands and its offshore waters. The Commission's own involvement began in 1977 when it prepared a resource evaluation of 10 prospective California marine sanctuary sites. The Channel Islands area ranked among the top two because it possessed all necessary criteria for federal protection as a Marine Sanctuary under the Marine Sanctuaries Act of 1972. The Commission has previously documented its involvement in the federal program in comments, chronology and bibliography dated July 30, 1981 and submitted to NOAA. All substantive file documents, including the references cited therein are hereby incorporated as a part of these findings.

California, in addition to the Commission, protected, recognized, and promoted the environmental resources of the Channel Islands and its offshore waters prior to the creation of the Coastal Commission and prior to the passage of the 1972 federal Marine Sanctuaries Act. The Legislature protected the State offshore waters when it established an oil and gas sanctuary around the islands in 1955. Likewise the resources have been recognized by the Department of Fish and Game as an Ecological Reserve (California Fish and Game Code 1580). Also, California Water Resources Control Board has designated the state waters as an area of Special Biological Significance (ASBS), prohibiting discharges into the waters. Similarly, in 1975, the Governor recommended to the federal government a 6 nautical mile exclusion area for oil and gas operations.

### 2. Commission Position on Channel Islands Sanctuary

The sanctuary, bounded by ocean waters extending outward six nautical miles around San Miguel, Santa Rosa, Santa Cruz, Anacapa and Santa Barbara Islands, was formally designated on September 22, 1980, after receiving Presidential approval that prohibited new oil and gas leases within its boundaries. Union's lease was executed in 1968 prior to revisions in federal OCS laws that recognized state participation in the federal leasing process and hence is termed a "pre-existing lease". According to the Minerals Management Service, there are a total of 5 leases similarly affected. The implementing federal regulations prohibiting oil and gas development do not extend to the 5 pre-existing leases. Very small portions of 3 tracts leased in 1978 are in the Sanctuary (0348, 0356 and 0357) but do not have "pre-existing lease" status allowing oil and gas activities within the Sanctuary boundaries. After Union's 1969 oil spill, the federal government suspended oil and gas exploration and development in the Channel, thereby preventing companies from expeditiously exploring and developing. Union has obtained numerous time extensions to the lease having shown "due diligence" to the federal government.

In January, 1980, the Commission developed a position on this matter as a part of its DEIS and FEIS comments summarized as follows:

1. No oil or gas exploration shall be permitted within six nautical miles unless the lessee has first explored adjacent leased area outside the six nautical mile area.
2. Prior exploration outside the sanctuary must indicate a likelihood of an oil or gas field extending within the six nautical mile area.



3. No oil and gas development and production shall be permitted within the six nautical mile area, even if a tract is located entirely within the six nautical mile area.

Union's consistency certification described the comments as "exceptions" to the Coastal Act. Union concluded that its project was approvable because it met the "exceptions" of the Coastal Act. Union, however, failed to discuss exception #3. The Commission submitted the "exceptions" to NOAA in DEIS comments as suggested federal regulations governing the sanctuary. NOAA rejected the Commission's comments, as well as the Commission's recommendations that the sanctuary boundary extend outward from the island for 12 nautical miles. In its final comments to NOAA, the Commission responded that it would continue to exercise consistency review over the 5 existing leases. Thus, the "exceptions" are not binding in any way on the Commission, since the federal government rejected them. Companies are advised that the "exceptions" should not be viewed as a relaxation of the consistency review standards of the Coastal Act.

Even if it is assumed that the exceptions apply to this project, Union has failed to establish an approvable project. Turning to #1, Union has met this requirement having explored Lease 0202 to the east. (Exhibit 4) As to #2 and #3 Union has not demonstrated that the field extends within the sanctuary boundary. Present information indicates that the field "probably lies wholly within the six-nautical mile boundary." (Union's Consistency Certification, p. 9.) Union requests exploratory drilling because the unexplored portion of the geologic structure cannot be reached by directional drilling from a location outside the Marine Sanctuary. However, the explored portions to the east establish a structure most likely confined within sanctuary boundaries. There is no evidence from any exploratory drilling that establishes the existence of an oil resource extending beyond the boundaries of Lease 0203 outside the sanctuary. In fact, existing geologic faults which would hold the oil to specified boundaries corroborates the Commission finding that the oil resource lies wholly within sanctuary boundaries. (Exhibit 4) For Union to produce economically from outside the sanctuary boundary, the resource would have to be exceedingly rich to justify the technical problems that must be overcome. Union has committed to produce outside of the Sanctuary. (Appendix B, p. 2)

### 3. Previous Commission Consistency Reviews

A comparison of the Commission's past position on POE's in or near six nautical miles of the Channel Islands is presented in Exhibit 5. The Commission has concurred in three instances, objected in one. The Commission objected to Chevron's lease 0205, located one parcel west of Union's lease, a distance of three nautical miles. Lease 0205 was also located in the Sanctuary and in the VTSS buffer zone.

Chevron revised its POE, moving the well site outside of the Sanctuary, out of the southern buffer zone of the northbound sea lane into the northern buffer, and sponsoring a study of vessel traffic responses to the location of a drill rig in the buffer zone. The Commission concurred in Chevron's resubmittal (CC-9-81). Exhibits 6 and 7 compare Chevron's first submittal, its amended POE, and Union's POE now under review. Union's resubmittal for 0203 does not include a change in location.

Union's plan differs from Chevron's approved POE in the following ways: (1) it is within the Marine Sanctuary; (2) it is within the southern buffer zone of the northbound sea lane, requiring supply and crew boats to cross the sea lane to service the drill rig; and (3) the oil field "probably lies wholly within the Marine Sanctuary", according to Union geologists.

C. Coastal Zone Management Act and Consistency Review

1. Commission Consideration of the National Interest

The Commission considers the national interest when it reviews federal licenses and permits in the following manner. The Commission's approved CCMP includes not only the Coastal Act but also a separate chapter (Chapter 11) that describes the process for consideration of the national interest. In summary, it determines that the California coast is a resource of national significance comprising more than half the western coastline of the contiguous 48 states. Nine out of ten of the objectives listed in Section 302 of the CZMA recognize the critical need to protect coastal zone environmental resources. (Exhibit 6.)

The Commission, however, recognizes that trade-offs must be made with respect to the allocation of land and water resources and carefully balances such trade-offs when it considers whether an oil and gas project meets the "public welfare" test of Section 30260. Thus, the Commission decision under section 30260 of the Coastal Act represents a balance of national interests in resource protection and energy self-sufficient development as is required under the CZMA. The Commission also believes its record of concurrence on 69 Plans of Exploration, partial objection to 5 POEs, and full objection to only 3 POEs, since obtaining consistency authority in 1978 demonstrates that the Commission has adequately considered the national interest to promote oil development. Section K elaborates on the national interest discussion.

D. Marine and Coastal Resources

Sections 30230 and 30231 are the policies of the Coastal Act applicable to effects of oil and gas exploration on marine and coastal resources. The sections provide the following:

Section 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.

Section 30231. The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

## 1. Documentation of the Resources

### Introduction

As indicated in the Background, the marine environment surrounding the Channel Islands and the offshore waters are unique coastal resources. The State has designated these waters both an Ecological Preserve and an Area of Special Biological Significance, to protect the living resources and preserve the water quality in the area. And the Federal government has created a National Marine Sanctuary, extending 6 nautical miles around the northern Channel Islands. California's coastal zone includes the offshore islands and all surrounding state waters so that such resources can be protected. (Section 30103) Thus, this project has been examined for effects on coastal resources located both on the mainland coastline including surrounding state waters and on the offshore islands including surrounding state waters.

The Channel Islands are sufficiently isolated from the mainland and from one another to permit the development of numerous endemic populations of marine flora and fauna. This isolation also provides a refuge for over 80 species of resident and migrant seabirds, as well as breeding and pupping areas for five species of seals and sea lions. The rich, offshore waters of the Channel Islands serve as a significant foraging area for 13 breeding seabird species including the endangered California Brown Pelican, as well as large numbers of migrants. These migrants include shearwaters, loons, grebes, albatross, storm-petrels, fulmars, and many others. Collectively, the islands constitute a major seabird breeding area of the eastern north Pacific, the largest such area south of the Farallon Islands.

#### a. California Brown Pelican

The California Brown Pelican (*Pelecanus occidentalis californicus*) was classified as endangered by the U.S. Fish and Wildlife Service in 1970. Subsequently, in 1971, the California Fish and Game Commission designated the California Brown Pelican endangered under the California State Endangered Species Act of 1970. The California Brown Pelican is one of six recognized subspecies of the Brown Pelican (Wetmore 1945). Only the Brown Pelican population located along the Pacific coast of the United States and Mexico and the Gulf of California is considered a part of the California sub-species.

Anacapa Island, one of the California Channel Islands and located 4.8 nautical miles from the proposed Union well sites, is the only stable breeding colony of the California Brown Pelican in the United States. Brown Pelicans have been recorded nesting on four of the Channel Islands and their associated isles: Anacapa, Santa Cruz (Scorpion Rock), Santa Barbara Island (including Sutil), and San Miguel Island (including Prince Island)). Anacapa supports, by far, the largest Brown Pelican breeding population. Anacapa Island has the only colony which is active every year. All other historic Brown Pelican breeding areas in California are ephemeral and active only occasionally.

West Anacapa, where the pelicans usually nest, has steep, heavily vegetated slopes. It has been designated as a research and natural area and is therefore closed to public visitation to protect the nesting habitat of the Brown Pelican. A state ecological reserve boating closure zone has been established on the north side of West Island to further prevent disturbance to breeding and feeding pelicans.

The U.S. Fish and Wildlife Service divides the California Brown Pelican into four general breeding populations: (Note: these populations are able to interbreed, but typically return to the colony of their birth)

- o Southern California Bight Population: This consists of the breeding colonies of the Channel Islands and the islands off the northwestern coast of Baja, California as far south as Isla San Martin. Anacapa Island and Los Coronados (off northern Baja, California) have historically been the most important breeding areas in the Southern California Bight.
- o Gulf of California Population: This group breed mainly on the desert islands in the middle portion of the Gulf of California.
- o Southwest Baja, California Coastal Population: This group nests on the various islands in the Bahia Sebastian Viscaino and Bahia Magdalena area.
- o Mexican Mainland Population: The pelicans in this group breed mainly on mangrove islands and in mangrove trees in wetlands in the Sinaloa area off mainland Mexico and the nearby offshore islands.

The Southern California Bight (SCB) breeding population has been estimated to comprise from 6 - 10 percent of the entire breeding population of the California Brown Pelican. Although the Southern California Bight population forms the northern extreme of the pelican breeding range, researchers believe the population to be quite viable. The Brown Pelican has a long-term historical presence in the Southern California Bight. "SCB pelicans may be expected to have higher (or at least equal) long term reproductive rates and , furthermore, might also be genetically less variable (as a result of different selection pressures) than populations in the Gulf of California in the center of the subspecies range. As such, the SCB population might be somewhat genetically distinct." (page 14, The California Brown Pelican Recovery Plan, by Gress and Anderson for the U.S. Fish and Wildlife Service, approved draft/unpublished, February 1983)

b. Other Significant Sea Bird Populations

Anacapa, as a part of the Channel Islands, is also an important breeding location for numerous other seabirds. All three islands (East, Middle, and West) that make up Anacapa are characterized by precipitous sea cliffs pocketed by numerous sea caves and burrows that provide habitat for seabirds. Anacapa supports the largest western gull colony in the Channel Islands. Also, breeding on this island are populations of Xantus' murrelet, pigeon guillemot, double-crested cormorants, black oystercatchers and occasionally brandts and pelagic cormorants.

2. Potential Impacts of Oil Spills on Pelicans and Other Seabirds: Section 30232

The Coastal Act requires protection from oil spills in Section 30232, quoted in the Oil Spill section of this recommendation. Its specific applicability to the environmentally sensitive habitat is highlighted here. An oil spill from Union's currently proposed exploratory project and potential development proposal could significantly impact Brown Pelicans and other seabirds. The following discussion focuses on the habitat values of Anacapa and the surrounding waters for Brown Pelicans and the effect of oil on the birds.

As previously discussed, California brown pelicans observed in the Channel Islands area are a combination of the Southern California Bight breeding population and members of the Mexican breeding populations. Except when a bird is exhibiting breeding behavior, there is no way an observer can discern whether an individual pelican is a member of either the California Bight or Mexican breeding populations.

The Brown Pelican breeding season on Anacapa and the other Channel Islands is unpredictable. The onset and completion of pelican breeding can change from year to year depending on food availability and oceanographic conditions. The Southern California Bight Brown Pelican breeding population may begin to concentrate on Anacapa Island and nearby Scorpion Rock as early as December. Pelican breeding can begin on Anacapa from the end of December to the end of May. Eggs are laid and incubated for approximately 30 days, and the young fledge around 12 weeks after hatching, so young can be found on the nests through September.

Numbers of nesting pairs have varied from year to year. In 1976, 417 nests were counted. In 1977, only 76 pairs of pelicans nested, but for the last three years (1979 - 81) Anacapa has been the largest colony in the Southern California Bight. In 1978, 335 pairs nested, and in 1979, 1,258 pairs were counted on nests and in 1981 3000 pairs were observed. Reproductive success has varied over the years because of food availability, and pollution of ocean waters. During the late 1960's and early 70's, large drops in the Brown Pelican populations occurred as a result of eggshell thinning due to pesticide contamination (DDT & DDE) off California ocean waters. After cessation of the main source of DDT input into Southern California waters, reproductive success of the Brown Pelican improved.

California brown pelicans breed in Mexico earlier than they do in the Southern California Bight. The pelicans from the Mexican population disperse after breeding and usually move northerly into California during summer and fall as they search for food. The peak population of both resident and Mexican breeding groups is dependent on food availability. While fluctuating yearly, pelican numbers usually increase as the summer progresses, reaching annual population highs in the fall. Maximum Channel Island counts of 10,600 and 10,400 individuals were observed in September and October 1877 by BLM researchers. BLM researchers estimated the combined population of all pelicans in the Bight area in October of 1977 to be 94,000 individuals, representing a large segment of the entire world population of this subspecies. When most abundant, brown pelicans were particularly concentrated in the eastern Santa Barbara Channel, Santa Monica Basin, and around shallow island shelves--including those of Anacapa, Santa Cruz, and Santa Barbara Islands.

Pelicans are considered by experts to be especially vulnerable to oil. Studies have shown that pelicans may plunge through oil slicks when feeding and are not as likely to avoid oil as certain other birds so. Oil can cause health problems or death when encountered at any stage of the pelican's life cycle. Birds can ingest oil when preening feathers, oil can enter the body through the skin, and certain types of oil can disrupt the natural oils on the feathers. Heavily oiled birds would be poisoned, unable to eat or fly and would probably die.

Adult pelicans from the Mexican and Anacapa breeding populations can be found roosting on Anacapa Island and feeding in the surrounding waters at any time of the year. Therefore, adult non-breeding birds would be under some risk year-round from oil spills near Anacapa and throughout the Santa Barbara Channel. The Anacapa breeding population is most at risk from the time the birds begin breeding (as early as December) until all the young birds have fledged (usually by the end of

September). When resident pelicans are building nests, breeding, and raising young on Anacapa, their foraging is concentrated in waters near the island, as long as food is available. During breeding and nesting, both male and female adults leave Anacapa every day to feed and bathe. If the birds encounter oil while bathing or feeding, they will carry that oil back to the nesting colony on feet and feathers. Pelicans incubate their eggs with their feet. Oil on an egg is lethal to the embryo. After the eggs hatch, the young birds are fed by the parents and would be injured if their parents brought oil to the nests. When the young birds are fledging they sit on rocks and bathe and feed in the waters very near the island. While growing their flight feathers and learning to fly and feed, these young birds are especially susceptible to injury and death from oil contact.

As discussed earlier, the presence of pelicans and the timing of the breeding season is dependent on oceanographic conditions and food availability. During the breeding season, depending on food availability, Brown Pelicans feed within about a 50 kilometer range of Anacapa. When food is available, the heaviest concentration of pelican feeding is usually within 30 kilometers of Anacapa. If food is very difficult or impossible to obtain, pelicans may not breed, postpone breeding, or even abandon eggs or hatched young.

The recent changes in oceanographic conditions, termed El Nino, have reduced the availability of food for pelicans. This caused a fairly high rate of nest abandonment in the Anacapa colony during the 1983 breeding season. There is no way to predict the oceanographic conditions and food availability for 1984. Some experts feel that the warming effects of El Nino may continue through 1984 and could cause the movement of anchovies (a major pelican food source) further offshore and into deeper water away from the breeding colony. This could effect the timing and reduce the success of the 1984 breeding season. An oil spill, in addition to low food availability, could eliminate all successful production of pelican young on Anacapa for a breeding season. The full impact that this would have on the Southern California Bight population of the "endangered" Brown Pelican is unknown.

Under Section 30240 of the Coastal Act, cited and discussed in more detail below, the Commission must protect "environmentally sensitive habitat areas" and adjacent areas. Because the Brown Pelican is an endangered species, the pelican habitat on and around Anacapa is an "environmentally sensitive habitat area". The Coastal Act clearly states the "environmentally sensitive habitat area shall be protected against any significant disruption of habitat values; and only uses dependent on such resources shall be allowed within such areas." The drilling of Union's exploratory well is clearly not a use appropriate within an "environmentally sensitive habitat area" and the project poses a significant risk to the endangered Brown Pelican throughout the year.

Section 30230 of the Coastal Act requires that special protection be given to areas and species of special biological significance. The endangered California Brown Pelican is clearly a species of biological significance and must be afforded all reasonable protection. The Commission has a long-standing policy prohibiting any drilling activities within 6 miles of Anacapa and the other Channel Islands. This has proven to be a sound policy. Although the Anacapa pelicans could still be damaged by oil spills occurring outside of the 6 mile buffer area, the pelicans are afforded a special level of protection in the very critical area surrounding their only U.S. breeding colony.

Therefore, in conclusion, the Commission finds that this project places an undue risk on the endangered California Brown Pelican and is inconsistent with Section 30230, 30231, and 30240 of the Coastal Act. Analysis under Section 30260 (Section K) finds that although the project's impacts on marine resources are mitigated to the maximum extent feasible and there is no alternative location, it fails to meet the publicwelfare test and is therefore inconsistent with the Coastal Act.

### 3. Drilling Fluids and Cuttings

As discussed above, Coastal Act Sections 30230 and 30231 require that the biological integrity of coastal and marine resources to be maintained and enhanced. Section 30231 states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment ...

Union's project is located within a biologically sensitive area, approximately 4.8 nautical miles from Anacapa Island. Even before the area's designation as a Marine Sanctuary, the Commission had established a policy that there should be no oil exploration or production activities within six miles of the Channel Islands.

The Commission finds, as discussed below, that the offshore disposal of drilling fluids and cuttings releases substances to the marine environment which may be either toxic to marine organisms or may have deleterious sublethal effects on these organisms. While there is insufficient data to definitely determine whether the two Union exploratory wells discharge enough toxic substances to significantly damage the marine environment, the evidence clearly shows that such discharge is not conducive to the maintenance of "optimum populations" of marine organisms, contrary to Section 30231. The Commission finds that the area is an especially productive marine habitat area. Section 30230 specifically requires that "special protection" be given to areas and species of "special biological or economic significance." The express language of these two sections requires that the Commission adopt an exceptionally cautious approach to approving uses which may have an adverse effect on this area.

The current NPDES general permit which allows ocean disposal of muds and cuttings on this lease will expire on December 31, 1983. The EPA is currently considering extension of the permit until June 30, 1984. However, the Commission finds that issuance of the NPDES permit is based upon the erroneous premise that one permit can effectively regulate muds and cuttings over the entire California coast. Therefore, the Commission finds that it must assert its consistency review authority over the current NPDES permit for this project to assure the maintenance of optimum populations of marine organisms.

The Effects of Drilling Fluids and Cuttings on the Marine Environment. The Channel Islands were selected as a Marine Sanctuary in large part because of the extraordinary concentration of the following resources: 1) marine mammals; 2) seabirds; 3) fish, shellfish, and kelp resources; 4) intertidal organisms; and, to a lesser extent; 5) archaeological/historic resources. Of these resources, muds and cuttings are most likely to affect fish.

The proposed Union wells are to be located in open waters beyond the island shelves which are generally characterized by offshore pelagic areas. In these areas, the small schooling species such as the northern anchovy, Pacific saury, sardine, mackerel, and squid are particularly important because of their vital role in the marine food chain. The nutrient rich waters fed by regional upwellings support exceptionally abundant populations of these species which in turn are fed upon by other fish, the seabirds, marine mammals, and humans. The abundance of these fish is undoubtedly a significant factor in supporting the large concentrations of marine mammals and seabirds in the area (FEIS on the Proposed Channel Islands Marine Sanctuary, May 1980).

Therefore, if drilling fluids and cuttings were to negatively affect larval forms of fish (when they would probably be most susceptible to toxic substances), or adult forms, this could in turn negatively affect both recreational and commercial fisheries as well as the birds and mammals which consume the fish. However, the effects of these substances and their constituent elements on marine organisms is far from clear. Nonetheless, the Department of Fish and Game, in a report on drilling muds prepared for the Commission (J. Steele, 1983), recommended that until definitive information on the effects of discharges is available, the Commission should be very concerned about the possible accumulative impacts to California's coastal resources from drilling in the OCS.

In addition, the Commission has conducted its own review of the literature and concurs with the Department's concerns. For example, Tagatz et al (1980) found that the presence of high mud concentrations on the sediments can inhibit settlement and recolonization by many types of organisms. Schatten (1982) found that barium interfered with the fertilization and early development or sea urchin embryos. Sweeney (1981 testimony before the EPA) has stated that small amounts of copper and other heavy metals in sea water are exceedingly toxic to phytoplankton; these tiny plants are the basis of the food chain on which many other organisms depend. Brannon and Rao (1979) investigated sublethal responses of organisms to used drilling muds and observed decreased growth rates in oysters, grass shrimp larvae, opossum shrimp, and killifish embryos, developmental anomalies in fish embryos, impairment of osmoregulation in shrimp, and hypoglycemia in crabs, at concentrations similar to or slightly lower than those that were acutely toxic.

Composition and Fate of Drilling Fluids and Cuttings Proposed for Use in Union's Project. According to the Hooks, McCloskey and Associates environmental report (May 10, 1982) for this project, Union will use plain seawater to drill the 36-inch hole for the 30-inch drive/structural casing. This water will be returned to the ocean floor. The mud used beyond the 30-inch casing shore is a low-solids mud which is similar in quality to the drilling characteristics of water. It will be a freshwater gel consisting of fresh water and the following components: bentonite; Benex; Cypan or Drispac; calcium hydroxide; sodium carbonate, and sodium bicarbonate; barite; lignite; and special purpose additives, including MICA, ground nut hulls, vegetable oils, and defoamers, such as aluminum stearate. Neither biocides nor chrome lignosulfonate will be used. Total discharges from the two wells proposed by Union includes 17, 950 cubic feet of cuttings and 423,500 gallons of drilling fluids.

Union argues that that impact of the proposed activities on water quality will be minor and short term, and that toxic substances, such as heavy metals, will generally be present in very low concentrations. Furthermore, Union argues, since the proposed activities will take place at a depth of approximately 800 feet, the muds and cuttings will be dispersed within the water column and very little concentrated settling on the ocean floor will occur.



However, although the Commission believes that these arguments have merit, it has found above that Sections 30230 and 30231 require that the marine resources in the project area be afforded special protection as a biologically sensitive area. As a result, the Commission cannot find, absent additional information to the contrary, that the discharge of the drilling fluids and cuttings will promote optimum populations of marine organisms (that is, the maintenance of natural species diversity, abundance and composition). Therefore, as proposed, the Commission finds Union's project to be inconsistent with the above sections. Section K addresses mitigation of the adverse impacts of discharge of drill muds and cuttings and finds Union's project meets the test of 30260 with respect to effects of drill muds and cuttings.

4. Environmentally Sensitive Habitats and Biological Productivity: Sections 30107, 30231, 30240(a)

Environmentally Sensitive Habitat Areas. Section 30107 defines an environmentally sensitive area as "any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem, and could easily be disturbed or degraded by human activities and developments."

Union's consistency certification states that "there are no known environmentally sensitive areas on or immediately adjacent to the lease". The Commission disagrees. The well sites are in fact located 1.2 miles within the boundaries of the Channel Islands National Marine Sanctuary, and within 4.8 nautical miles of Anacapa Island, which is a part of the Channel Islands National Park. As was established in the Background and Documentation sections, this project is located in an environmentally sensitive habitat. The State waters surrounding the Islands are designated as an Ecological Preserve and Area of Special Biological Significance.

If development is located in an environmentally sensitive habitat, the requirements of Section 30240 apply:

(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 key first requirement is whether oil exploration and possible later development is a "significant" disruption of habitat value. Oil development's associated risks would seriously disrupt, if not destroy, the wildlife resources required to be protected under Section 30240(a). Due to the extreme sensitivity of the marine resources, the risk of a spill, (discussed in Section F) and the helicopter and vessel traffic associated with the project, the Commission finds that the project poses "significant" disruption to resources.

The second requirement of Section 30240(a) allows only resource dependent uses in environmentally sensitive areas. "Resources" refers to environmentally sensitive habitat areas, that is, living plant and animal resources, not petroleum. As stated above, rare species, such as the endangered Brown Pelican, is disturbed by human activities and developments, as the past 10 year fluctuation in its breeding rate has demonstrated. Uses dependent on these resources would include, for example, fishing, if such activity can be properly regulated so as not to interfere with the wildlife. The Commission finds that this project does not propose a resource dependent use.

Even if the project meets 30240(a), it would not satisfy the requirements of 30240(b). The project is clearly adjacent to an environmentally sensitive habitat area: it is within the National Marine Sanctuary, and within 1.8 miles of the State waters, designated as an Area of Special Biological Significance and an Ecological Preserve. As discussed above, the Commission has found the waters within 6 miles of the Channel Islands to be a unique biological area, even before designation of the Marine Sanctuary.

The Commission finds that there is no feasible way in which Union could site or design its project to avoid impacts on the environmentally sensitive habitat areas. Although Union is trying to protect the area by drilling in the time of year of least vulnerability to the Brown Pelican, has proposed an Oil Spill Contingency Plan, and would barge its drill muds to the mainland for disposal, the Commission finds the project still would not be compatible with the continuance of the habitats and could, in fact, degrad these sensitive areas. Therefore, the Commission finds that the project does not satisfy the two requirements of Section 30240 of the Coastal Act.

Analysis under 30260 finds the project inconsistent with that section also.

Biological Productivity. The Coastal Act requires protection of biological productivity in the following mandatory policy:

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.

Union concludes that the entire channel contains an abundance of important marine resources and that the impacts of routine drilling operations are slight, temporary, and localized. This observation fails to recognize that the Coastal Act requires special protection of the areas of special biological significance. For the reasons previously enumerated, the Commission finds that this section is not met by this proposal.

#### E. Commercial Fishing

Sections 30230 and 30231 also require management of coastal waters to assure biological productivity and maintenance of optimum populations of marine life, including fisheries. The Commission also finds that commercial fishing is an important element of the coastal economy which must be protected under Section 30234

of the Act. In addition to money earned directly by the fishermen, the industry is considered a "primary industry," which generates many additional secondary jobs for seafood processors, brokers, dock workers, truck drivers, and boat yard crews. Revenues for the rent and the purchase of housing, food, and equipment are also generated by commercial fishing.

Commercial fishing is also a coastal-dependent industry and is therefore further protected as a priority use in the coastal zone in Section 30255 of the Act and in the CCMP. These enforceable policies provide development standards to assure priority of commercial fishing and can be implemented only with continued biological productivity of the fisheries resources.

Offshore oil and gas exploratory activities can have economic and biological effects on the commercial fishing industry. Economic losses to the fishing industry can occur by (1) tainting marine organisms by direct coating or ingestion of hydrocarbons; (2) reducing the total available catch; (3) contaminating fishing gear and vessels, requiring either cleaning or replacement of the gear and cleaning of the vessels; and (4) preventing fishermen from leaving port due to placement of oil containment booms. Additional discussion of impacts from oil spills is provided in Section F.

Biological impacts can result from oil spills, a remote but continual threat of offshore oil operations and from discharge of drill muds. Commercial fishermen and the Commission have expressed concern about the short-term and long-term effects of drill muds on commercially recoverable fish in previous considerations of development and exploration plans. The Commission continues to be concerned because of the uncertainty of the impacts, as expressed by the scientific community. The previous section in this report provides further analysis of the fates and effects of drill muds on marine biota.

Lease P-0203 is within a trawling and purse-seining commercial fishing area and is within Fish Blocks 683-684. Spot prawns and anchovies are the primary targets of the trawling and purse-seining. Most of the fishing activities occur within three to six miles offshore the north side of Anacapa Island. The Department of Fish and Game has recommended objection to this project.

During preparation of the staff report, Union, in cooperation with the U.C. Marine Advisor's office in Santa Barbara, sent locational information to numerous commercial fishing representatives to advise them of the proposed activities. Two trawlers have responded to notices sent out by the Marine Advisor. They stated that although Union is drilling in an English sole trawling area, an insignificant impact on the sole fishery will occur if Union drills in the winter, as it proposes to do.

Because exploratory activity on OCS P-0203 will not conflict with commercial fishing activities, the Commission finds the project consistent with those portions of Coastal Act policies protecting commercial fishing operations.

#### F. Protection Against the Spillage of Crude Oil.

1. Introduction. Regardless of the precautions taken against well blowouts and other accidents resulting in spills of crude oil in the open ocean, there is always a risk of oil spills occurring at a drill site. Such a spill may reach the coast of

California and the offshore islands and damage marine life, scenic areas, and recreational areas. 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.

Union has provided onsite equipment and personnel training, and works with oil spill cooperatives, which have dedicated oil spill response vessels (See Appendix A). The Clean Seas dedicated oil spill response vessel, Mr. Clean I, can arrive at the site within 5 to 6 hours.

2. Chemical Dispersing Agents. Because of the location of this well in a recognized area of biological significance for Brown Pelican breeding, Union is attempting to take additional measures to protect the species from the adverse impacts of oil spills if they occur. Union has requested the Regional Response Team (federal agencies and the State of California that approve response procedures during oil spills) to develop measures to expedite the approval process for the use of chemical dispersants to combat oil spills, particularly spills from operations such as this one located in environmentally sensitive habitats. In coordination with this effort, Union is currently revising its oil spill contingency plan to include six new sections designed to help improve their response. The sections will cover the following topics:

- A. Expected Oil Composition/Dispersant Characteristics;
- B. Oil Spill Analysis;
- C. Resource Information;
- D. Dispersant Response Strategies;
- E. Conclusions;
- F. Reference Materials.

Union has yet to complete this work and therefore has not submitted a complete version of its revised oil spill contingency plan to the Commission for review.

Oil spills pose the greatest threat to the Brown Pelican population on Anacapa Island and all potential response procedures for their protection must be presented to the Commission for adequate review of the proposal. Since these essential elements of Union's spill response planning have not been presented, the Commission does not have sufficient information to determine the consistency of this proposal with California's Coastal Management Program's requirement for "effective cleanup facilities."

Union is currently conducting laboratory tests to determine the potential effectiveness of dispersants on the oil expected to be found during exploratory drilling. This oil is heavy (API gravity 14.5°) and dispersants probably would not be as effective on it as they would on lighter oils. The data from the tests will help determine the most effective ratios of dispersant to oil for use in dispersing

this type of oil. In addition to the effectiveness testing program, Union is working with the Commission staff and the Department of Fish and Game to develop a toxicity testing procedure to help determine the hazards of dispersant use. If dispersant application procedures are developed and the approval process is expedited, Union may improve its ability to combat oil spills in situations where the use of these chemicals are warranted. However, these measures must be viewed as additional tools to reduce the impacts of oil spills on sensitive areas, not to eliminate the impacts. There has never been a documented case of dispersants eliminating the impacts of large oil spills.

The effectiveness and potential toxicity of dispersants remains a source of debate. However, if a large oil spill occurs in this location and the spill is headed toward shore, it is unlikely that the local oil spill cooperative will be able to apply more than one application of dispersants during daylight hours, before the oil would contact the island. The Clean Seas oil spill cooperative has acknowledged, in written comments to the Commission, that one pass over an oil spill will disperse only 10 to 30 percent of the oil remaining after evaporation. Mechanical cleanup methods such as booms and skimmers also have limited effectiveness, and should be viewed as devices to reduce, but not eliminate impacts. Thus, the combined efforts of mechanical and chemical cleanup techniques will not eliminate the impacts to the Brown Pelican population, if that population is threatened by a large oil spill.

Even if Union develops dispersant techniques and submits a completed oil spill plan to this Commission, it remains doubtful whether any mitigation can be considered adequate to protect the environmentally sensitive resources at this location.

3. Oil Spill Risk and Trajectories. Union states that the chances for an oil spill are very small, due to the excellent safety record of the industry in drilling exploratory wells. However, there is always the chance of an oil spill occurring, and this risk must be weighed against the value of the resources that could be damaged. The largest oil spill in history was from the Ixtoc exploratory well, located in the Bahia de Campeche, Mexico, which demonstrates that oil well blowouts from exploratory operations are possible. (A summary of exploratory drilling risks is included in Appendix A.) A risk of a spill in this location is increased because the well site is proposed to be located in the buffer zone of the Santa Barbara Channel Vessel Traffic Separation Scheme.

Thus, the combination of a well site located in an environmentally sensitive habitat and in a buffer zone of the VTSS substantially increases both the damage and risk of an oil spill. Union has submitted oil spill trajectory data which is included in the upcoming revisions to their Oil Spill Contingency Plan. This information is not based on site specific weather data because no long-term data is available for the site itself. Therefore, the oil spill trajectory analysis must make some assumptions regarding the weather conditions at this specific site as well as assumptions regarding the seasonal currents, and other weather factors. Even if site specific data is developed, the following excerpt from a paper of the Minerals Management Service entitled "Physical Oceanography and Meteorology of the California Outer Continental Shelf", emphasizes the problems with attempting to predict oil movement in the nearshore environment. It states:

Nearshore currents are extremely variable and complex. They may be driven by any of the forces which cause deep ocean currents. Winds, tides, density variations within the water column and the

earth's rotation are certainly important. The nearby oceanic currents are also an important influence on the shelf. There are additional factors which further complicate nearshore circulation.

The data presented by Union indicates that the probability of shoreline impact is small during the months from November through January. However, a spill which does not contact the island but reaches the surrounding waters can have devastating impacts on the Brown Pelican population which uses the waters as a feeding area.

4. Conclusion. Based on the above discussion, the Commission finds that Union has not provided effective measures as required in Section 30232. Current state-of-the-art oil spill containment and cleanup does not provide the level of effective protection required by this policy. Because this POE is a coastal-dependent industrial facility, it nonetheless requires a second look under Section 30260 of the Coastal Management Program, which allows special consideration for such facilities. Section 30260 analysis finds the project inconsistent because of Union's failure to submit a final Oil Spill Contingency Plan. (See Section K)

#### G. Vessel Traffic Safety

Union's proposed exploratory wells are located within the southern buffer zone of the northbound traffic lane (Exhibit 2). Section 30262 of the Coastal Act will not allow platforms to 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 Coast Guard has in the past argued that Section 30262 by its terms cannot apply to exploratory drilling due to its express reference to "platforms". The Commission disagrees and has applied the Section to exploratory drilling for the following reasons. First, the cumulative effects of numerous exploratory activities create substantial increased hazards to vessel traffic and such effects must be dealt with even more carefully than individual stationary platforms under numerous statutory requirements (Section 30250, CEQA, and NEPA). Furthermore, Section 30260 requires the Commission to adopt "maximum feasible mitigation" for any oil and gas development, including exploratory drilling. Thus, in implementing Section 30260, the Commission can look to the specific legislative guidance of Section 30262 on vessel traffic safety.

The Commission has carefully examined the issue of vessel traffic safety in numerous past actions. In January 1982, the Commission approved Chevron's POE for the nearby lease to explore the Sockeye Field from the buffer zone of the VTSS (CC-9-81). However, it expressly determined that existing data did not justify placement of temporary structures in the buffer zone. The Commission required extensive mitigation measures, and based its concurrence on Chevron's willingness to implement them. The Commission also indicated that its concurrence was due in large part to its desire to obtain additional information from the implemented mitigation measures. Union now proposes to undertake the same measures. Because of the location of Union's project, as discussed below, the mitigation measures are inadequate.

Chevron's Sockeye project was located four miles northwest of the "dog leg", or bend in the VTSS. Union's project is located less than half a mile northwest of the same dog leg. In concurring with Chevron's project, the Commission found:

A minimum of three miles from the dog leg is necessary as a margin of safety to allow vessels to make late turns in the bend and still return to the sealane before reaching the drillship.

This determination was based in part on expert testimony that the greatest navigational risk is located at the dog leg.

Chevron has drilled its well on OCS P-0205, and while drilling, worked with the California Maritime Academy (CMA) to develop data on vessel hazard and mariners' responses to the presence of a drilling vessel in the buffer zone of the VTSS. Chevron agreed to track by radar every vessel passing the drill ship while it was on location in the buffer zone, to determine the maneuvers necessary to clear the rig by a safe distance. A questionnaire was distributed to all captains leaving the southern California ports to travel north through the Channel. Preliminary discussions have occurred between the Commission staff and the CMA regarding the results of and responses to the study. CMA has not yet completed its analysis.

In examining the raw data, Commission staff has determined that over 38 percent of the vessels that passed by the drilling rig (306 out of 793) veered out of the traffic lane into the Separation Zone between the lanes when passing the rig on the opposite side of the lane. The IMCO resolution "General Provisions of Ship's Routing" (1977) recommends that course alterations in a VTSS should be as few as possible. The resolution suggests that the normal flow of traffic, once determined, should proceed along as straight a path as possible. The International Steering and Sailing Rules; Rule 10, Traffic Separation Schemes, which are the international "rules of the road", state:

A vessel other than a crossing vessel or a vessel joining or leaving a lane shall not normally enter a separation zone or cross a separation line except:

- (i) in cases of emergency to avoid immediate danger;
- (ii) to engage in fishing within a separation zone.

Because the 306 vessel captains who left the lane to put a greater distance between their vessels and the rig were not fishing; it must be assumed that they considered the rig an immediate danger. Eighty-two mariners out of the 793 who passed in the northbound lane responded to Chevron's survey. Sixty-eight percent of the mariners responding said a hazard existed where visibility was reduced and 63 percent disagreed with the contention that the rig served as an aid to navigation. Thirty-five percent (29) said they had to pass closer to the drilling vessel than they considered safe. Out of these 29, 19 said the drill rig presented a hazard in clear weather, while 23 said a hazard existed only where visibility was reduced.

In addition to its location close to the dog leg, Union's proposed project would be near the area where ships entering and leaving Port Hueneme would cross and enter the VTSS. Unlike Chevron's location in the northern buffer of the northbound lane, Union's rig would be located in the southern buffer of the northbound lane. This location would require crew and supply boats to cross the northbound lane to service the rig, which adds to the navigational hazard presented by the project.

Due to the proposed project's location in relation to the Vessel Traffic Separation Scheme and new additional information from Chevron's study, the Commission finds that the project creates an unacceptably high risk to vessel safety, is inconsistent with Section 30262 and cannot be mitigated under Section 30260 of the Coastal Act.

## H. Air Quality

As a part of its approved CCMP, the Commission must determine if the project affects the air quality of the coastal zone. The Commission relies heavily on the technical expertise of the California Air Resources Board (ARB) in making this determination, as it is required to do so in numerous sections of the Coastal Act. Since 1981, ARB has participated extensively in the review of POEs and has submitted numerous reports documenting the coastal zone effects of offshore drilling. As to this particular project, ARB submitted an analysis dated June 1982. In reliance on the ARB analysis, the Commission finds that offshore exploratory drilling affects the coastal zone.

After a coastal zone effect has been demonstrated, the Commission examines the project for consistency with Section 30253(3), which requires new development to be consistent with ARB standards. ARB has determined as follows:

In our view, the applicant has not met the burden of showing that these projects are consistent with the Coastal Zone Management program and disapproval of these applications is warranted. However, ARB would not oppose the granting of consistency provided that Union agrees to:

1. Implement injection timing retard on the Diamond M General identified by the task force's NOx emission study. The American Bureau of Shipping has approved a 4° retardation on General Motors EMD engines, which are used on the Diamond M General.
2. Record and make available to ARB fuel usage and electromotive demand for each operating phase during well drilling activities. (This information is needed to verify the emissions estimates of the Radian study.)
3. Record wind speed, wind direction and temperature during the time period when the Diamond M General is operating in the OCS.

The ARB, in not opposing a consistency permit at this time, does not concede that the project applicant has met the burden of mitigating potential adverse air quality impacts resulting from this project, and this agency expressly reserves any and all legal rights and remedies which it otherwise has in this matter.

Union has participated in the industry-government task force, developing mitigation measures to address spillover coastal zone impacts of offshore development and has agreed to implement the measures described above. Therefore, the Commission finds the project satisfies Section 30253(3) of the Coastal Act, and the requirements of Section 307(f) of the CZMA.

## I. Public Access, Recreation, and Visual Resources

Background. Maximum public access and recreational opportunities consistent with the need to protect natural resources from overuse must be provided under the requirements of Section 30210 of the Coastal Act. Additionally, water-oriented recreation is a recognized priority use of the coastal zone in Sections 30220 and 30221. Visual qualities of coastal areas shall also be considered and protected as a resource of public importance. (Section 30251) National recognition of such policies can be found in the CZMA, the establishment of the Channel Islands National Monument in 1938, and park expansion in 1980. The National Park Service has expressed its concern over this project. (Exhibit 8)



The proposed project is closest to Anacapa Island, first protected nationally in 1938. Anacapa consists of three small isles connected by narrow reefs. Totalling about 700 acres, the islets are collectively about three miles long, with perpendicular cliffs rising 250 feet above the sea. Recreational uses predominate on East Anacapa and at Frenchy's Cove, while West Anacapa is set aside as a natural area for brown pelicans, discussed in the Marine Resources section. Middle Anacapa is available for visitor use, but there are no facilities or trails. According to the 1980 General Management Plan for the Channel Islands National Park, only Anacapa is easily accessible to the public by scheduled commercial boat service from Ventura. East Anacapa is also accessible from Oxnard and Port Hueneme for day use trips by private boats. The Park Plan proposes a careful balance of public access and recreation with protection of natural habitat. Some reduction of public access to Anacapa will be necessary in the future.

Drillships located on Lease P- 0203 will be visible to boaters seeking access to any portion of Anacapa from Ventura, Oxnard, or Port Hueneme. However, because exploratory drilling is a temporary project lasting a maximum of 2½ months, the Commission finds that the project will not have any long-term adverse impact on recreational and public access uses.

#### J. Cumulative Impacts

Section 30250(a) of the Coastal Act requires the Commission to evaluate the cumulative, as well as individual, impacts of a project:

(a) New ... industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources...

Union's project raises serious concerns over cumulative effects on the marine and coastal resources living near Anacapa Island. Viewed alone, the exploratory drilling would affect the Brown Pelican population (Section D), vessel traffic safety (Section G), and air quality (Section H). Although the project is expected to last no longer than 75 days, risk to the pelican population remains significant and is intensified by the interference with vessel traffic.

Viewed with other projects in the area, Union would drill in a part of the eastern Channel near Anacapa which has undergone rapid development in the past few years. Union's drilling would follow close on the heels of Chevron's 5-month exploration on OCS P-0205. Chevron completed delineation of its Sockeye Field and intends to produce from a platform on 0205. Union is producing from its Hueneme Field on OCS P-0202 (Platform Gina) and from Platform Gilda on OCS P-0216. Chevron is producing on OCS P-0217 from Platform Grace.

Marine species, air and water quality, spill risk, vessel traffic safety and commercial fishing operations are all adversely affected by the proliferation of oil activities in this area. Union has committed to producing outside of the Sanctuary if it finds sufficient amounts of oil and gas on 0203; however, both the proposed exploration, and possible production immediately adjacent to the Sanctuary boundary, would further stress the adaptability of the species whose livelihoods depend on the islands and surrounding waters.

The Commission finds the total risks to the resources from additional drilling within the Sanctuary, nationally recognized for its biologic value, to be unacceptable. Therefore, the Commission finds Union's project inconsistent with Section 30250(a) of the Coastal Act. Analysis under Section 30260 finds the project inconsistent with the policies of that section.

K. Coastal Dependent Industrial Development

Coastal dependent industrial development is first considered under all other applicable policies of Chapter 3. If coastal dependent industrial development can meet the other applicable policies of Chapter 3, then the less strict standards of Section 30260 do not apply. If coastal dependent industrial development cannot meet the other policies of Chapter 3, then it may nevertheless be approved if it is consistent with all three specific requirements of Section 30260. As indicated in the earlier findings, this project fails to meet the requirements of Sections 30230, 30231, 30232, 30240, 30250 and 30262, of the Coastal Act.

The first requirement of Section 30260 allows coastal dependent industrial facilities if alternative locations are either infeasible or more environmentally damaging. Alternative locations to drill the two wells require slant drilling at an angle considered unsafe, or at a location within the sea lane presenting an even greater potential risk of collisions between drillship and other vessels. Drilling any farther from the oil field being delineated would not yield the data Union needs to determine whether sufficient oil and gas reserves exist to justify installation of a platform. For these reasons, the Commission finds that alternative locations are infeasible and less desirable.

The second requirement of Section 30260 concerns the public welfare. Clearly, it is in the interest of the public welfare to search for domestic sources of oil and gas. Union has not given an estimate of the amount of oil and gas it believes the field contains. This, however, is not the only consideration in determining whether the project meets the public welfare test. As indicated earlier, the Commission equates its responsibility to implement the public welfare to its responsibility to weigh the national interest in OCS projects. Protection of coastal resources, recreational opportunities and navigational safety must be considered aspects of public welfare. Exhibit 6, particularly language from Section 303, demonstrates the strong national interest in protecting "wildlife and their habitat" (Section 303(2)(A)). The Commission has carefully weighed these competing factors in its decision as indicated below.

As discussed in detail in Sections B and D, the proposed project is located within a federal and state designated sensitive habitat area. Less than six nautical miles away on Anacapa Island, is a breeding colony of endangered brown pelicans and numerous other unique resources. The National Park Service plans to reduce public access to Anacapa in order to provide a more hospitable natural environment to the pelican and other species. Noise from industrial development, risk of oil spills, and additional human intrusion are inevitable with oil development. As discussed in Section G, navigational safety is significantly adversely affected when drilling is located within the buffer zone of the Vessel Traffic Scheme. The Commission's policy to discourage drilling within the VTSS buffer zone unless extraordinary circumstances exist is based in part on the public welfare to be served by navigational safety. If navigational safety alone were at issue, the Commission could consider an approval based on overriding public welfare considerations. It made such a decision in Chevron's Plan of Exploration for Lease 0205, although, as mentioned above, Chevron's well site was in the northern buffer zone of the sea lane, which did not require supply boats to cross the sea lane to service the rig.

However, additional factors tip the balance the other way for Union's project. Turning to the oil spill analysis of Section F, the Commission found that oil spills headed toward Anacapa Island cannot be stopped with today's technology. Although the oil trajectories for this location indicate a fairly low percentage chance of impact to the island; the contamination if it does occur, will happen with fresh oil which is the most toxic.

The Commission finds that Union's proposed mitigation measures do not provide adequate protection to the resources in the surrounding environment: the endangered Brown Pelican, the 80 species of resident and migrant seabirds, the pupping and breeding areas of seals and sea lions, and the numerous endemic populations of marine flora and fauna. In fact, no oil exploration activity on this site could be adequately mitigated. Therefore, the Commission finds that approval of this project will not promote the public welfare due to the need to protect the environmental sensitivity of the Channel Islands and its offshore waters, commercial fishing, navigational safety, and a sensitive area free from the risk of oil spills. This one project cannot outweigh the other major public interest factors. The Commission's record of approvals in the Santa Barbara Channel in general and with pre-existing leases in the sanctuary in particular amply demonstrates its concern for the public welfare in energy self-sufficiency.

The third requirement of Section 30260 requires adverse impacts to be mitigated to the maximum extent feasible. The Commission first examines the mitigation proposed to protect the resources. Union's oil spill containment and cleanup equipment and procedures will probably represent the maximum feasible mitigation consistent with Section 30260, but Union has yet to submit a final oil spill contingency plan to the Commission for review. Since this plan is currently being revised pursuant to Coast Guard requirements, the Commission has inadequate information to make a determination. Regardless of the measures taken, if a large oil spill occurs and is headed toward Anacapa Island, no technology can keep the oil from impacting the Brown Pelican population. If chemical dispersant application methods are improved and government approval procedures expedited perhaps impacts could be reduced. However, even this is unclear because of the many unknowns regarding the effectiveness and potential toxicity of chemical dispersing agents. While Union may be able to provide the maximum feasible protection of the pelican using state-of-the-art procedures and equipment, the Brown Pelican cannot be protected from the adverse impacts of a large spill. Development could not be confined to a particular season of reduced risk. (Section D).

Union has proposed mitigation for drill muds discharges. In a letter from J. S. Attebery, District Land Manager, Union Oil Company of California, to William Grant, Acting Regional Manager, Pacific OCS Region, Minerals Management Service (September 22, 1983), Union states as follows:

Union has a genuine desire to cooperate with concerned agencies and will rely on the judgment of the Coastal Commission at the hearing to settle the question of the means of muds and cuttings disposal for this drilling location. Union proposes to do a study to determine the nature and extent of marine life in the water column in the vicinity of the surface location. The study should indicate if additional protection can be achieved through dilution and/or shunting of the muds and cuttings. Union will

agree to implement whatever measures may be suggested by the study. However, if the Commission finds that land disposal is the best environmental approach for this location, we will agree to land disposal as a stipulation within the Commission's consistency concurrence. (pp. 2-3)

In an attempt to find a solution for the disposal of drilling fluids and cuttings, Union asked the Environmental Protection Agency whether it could move the drilling fluids and cuttings by barge to Union's Platform Gina (OCS P-0202) or to Platform Gina (OCS P-0216). However, EPA advised Union that this would not be permissible (Gene Bromley, personal communication).

Other alternatives include shunting, to direct the discharge, and land disposal. Shunting would probably not be practical since the Commission believes all muds should be carried away from the Marine Sanctuary, and the project site is some distance inside the sanctuary boundaries. Under these circumstances, land disposal would appear to be the alternative which would mitigate adverse environmental effects to the maximum extent feasible. Since Union has agreed to these stipulations in its September 22, 1983 letter, quoted above, the Commission finds that the disposal of the drilling fluids and cuttings is mitigated to the maximum extent feasible and therefore is consistent with Section 30260.

Turning to the proposed mitigation for navigational safety, Union proposes to carry out the mitigation that the Commission previously approved in Chevron's 0205 Lease. The Commission finds that such mitigation is the maximum feasible, meeting this test of 30260.

However, because the risks to the California Brown Pelican and the safety of vessel traffic cannot be reduced to a level the Commission finds acceptable in the interests of the public welfare, as discussed above, the Commission finds that the project fails to meet the 3-pronged test of Section 30260.

Substantive File Documents:

1. Union Amended Exploration Plan, Environmental Report, MMS Environmental Assessment for Exploratory Wells Nos. 5 and 6, OCS P-0203 and all comments therein, Oil Spill Contingency Plan and Addendum.
2. Prior Consistency Certifications and Complete File for Leases 0204, 0205, and 245.
3. Administrative Record of Establishment of Santa Barbara Channel Islands Marine Sanctuary, and Subsequent Comments on NOAA's 1981 Suspension of Implementing Regulations.
4. The California Islands: Symposium (1980)  
ed. by D.M. Power, Santa Barbara Museum of Natural History
5. General Management Plan for Channel Islands, 1980 National Park Service
6. Final Report, Santa Barbara Channel Risk Management Program, National Maritime Research Center and Complete Commission File on Vessel Traffic Safety, Position Statement adopted July 28, 1982.
7. September 22, 1983 letter from Union to William Grant at the Minerals Management Service.
8. Responses to questionnaires, Environmental Data Record, and Target Data Record, developed by the California Maritime Academy.

## APPENDIX A

Onsite Equipment (First Line of Defense). Oil spill containment and cleanup equipment stored on an exploratory drilling vessel or on a production platform is primarily designed to provide a first line of defense for a major spill or to contain and clean up small spills that may occur. This equipment must be able to surround the largest areas possible within an acceptable period of time. If the equipment is too large and difficult to handle, then its purpose is defeated. The following list includes the equipment which the Commission has established as minimum requirements for Plan of Exploration consistency certifications in the past. The applicant has committed in its plan to include this equipment onboard the drilling vessel:

- 1) 1,500 feet of open ocean oil spill containment boom;
- 2) one oil skimming device capable of open ocean use;
- 3) bales of oil sorbent material capable of containing 15 barrels of oil;
- 4) a boat capable of deploying the oil spill boom on the site at all times or within fifteen minutes of the drilling vessel; and
- 5) oil storage capacity of 29 barrels, minimum, for recovered oil.

Oil Spill Cooperatives (Major spills, second line of defense). Removal of spilled oil in coastal or marine waters is undertaken by the party responsible for the spill, under the supervision and, if necessary, the direction of the U.S. Coast Guard. Because of this requirement, oil production companies operating in the Outer Continental Shelf belong to oil spill cooperatives which have oil spill cleanup equipment designed for open ocean use. The oil spill cooperative used for the Santa Barbara Channel and the Santa Maria Basin is Clean Seas.

Dedicated Oil Spill Response Vessels. Clean Seas currently has a 136-foot oil spill response vessel stationed in Santa Barbara harbor. The vessel, Mr. Clean, is outfitted with equipment which is designed for response to oil spills in the open ocean. Clean Seas is continuing to investigate state-of-the-art equipment additions to the vessel, and the Commission staff is currently working on potential improvements through the Oil Spill Response Capability study. This vessel will provide the initial response from Clean Seas to oil spills in the Santa Barbara Channel from Point Conception to Point Dume, and beyond the Channel Islands.

Clean Seas has recently acquired a second oil spill response vessel which will be fully equipped with oil spill containment and recovery equipment. This vessel, Mr. Clean II, is located in Port San Luis to provide the initial response to oil spills north of Point Conception.

Personnel Training. An adequate oil spill response training program must recognize the different roles necessary to provide an acceptable response to an oil spill. In

general, the program can be broken down to two categories: 1) training for supervisory personnel; and 2) training for workers charged with actually putting equipment into the water. This training can be done by an individual oil company, or through the local oil spill cooperative depending on the level of the training.

Supervisory Training. The Clean Seas oil spill cooperative conducted a two-day training program for supervisory or management personnel operating in the Santa Maria Basin. Chevron sent their oil spill "Containment and Cleanup Coordinator, Offshore Containment and Cleanup Coordinator, Onshore Containment and Cleanup Coordinator, and other individuals with management or supervisory functions to the training session. The session focused on the supervisor's role in directing workers to use equipment properly, interface with the Clean Seas organization, and making the supervisors aware of proper coastal resource protection goals.

Equipment Use Training for Workers. Workers responsible for actual use of the oil spill equipment must receive "hands on" training to use the equipment properly. Chevron has inhouse training procedures that include full deployment of all offshore oil spill containment and cleanup equipment. The Clean Seas oil spill cooperative puts on training sessions that cover use of specific types of equipment. Member oil companies shall send personnel to these sessions.

### Exploratory Drilling for Oil and Gas

Mobile exploratory drilling rigs have been operating offshore approximately 23 years. Accidents associated with these rigs include, blowouts, collision and rammings, overturning when moving or preparing to move, and problems coping with storm activities onsite or during transit. The March 1977 issue of Ocean Industry stated that there were 70 reported accidents involving mobile rigs up to 1977, but most of these were associated with the movement of the rigs and not the spillage of oil. Since 1955 there have been 18 blowouts from mobile rigs. However, in recent years safety has increased while the number of rigs in operation has grown. This is the result of improvement of rig designs and new training in recent years. Of the spills that have occurred as a result of exploratory drilling, the USGS circular 741 published in 1975 states, "...no spill in excess of 50 barrels has been recorded during exploratory drilling either on the Federal OCS or, to our knowledge, in any other offshore area throughout the world." Representatives of the U.S. Geological Survey indicate that the 18 blowouts previously mentioned from mobile rigs have been gas blowouts with no associated spillage of oil. However, on June 3, 1979, the Ixtoc exploratory well in the Bahia de Campeche, Mexico had a major oil blowout. According to the Oil Spill Intelligence Report (Boston), Ixtoc I was the largest oil spill ever recorded. The oil resources tapped by Ixtoc I are far larger than any oil field anticipated offshore California.

The history of exploratory drilling shows it to be relatively safe in light of the thousands of wells that have been drilled, however, the Ixtoc well blowout demonstrates what can happen if a spill does occur.

Union Oil and Gas Division: Western Region

Union Oil Company of California

Southern California District

1835 Knoll Drive, P.O. Box 6176, Ventura, California 93006

Telephone (805) 656-7600



September 22, 1983

J. S. Attebery  
District Land Manager

Mr. William Grant  
Acting Regional Manager  
Pacific OCS Region  
Minerals Management Service  
1340 West 6th Street  
Los Angeles, California 90017

Re: OFFSHORE CALIFORNIA  
Santa Barbara Channel  
OCS P-0203  
Plan of Exploration  
Consistency Certification

Dear Mr. Grant:

Union Oil Company of California hereby requests that you resubmit our Exploration Plan for Proposed Wells P-0203-5 and 6 to the California Coastal Commission for consistency review. The Exploration Plan is essentially the same as that previously approved by your office effective June 16, 1982. The only addition to the Exploration Plan is the completion of certain data accumulation contemplated by the Oil Spill Contingency Plan as part of the expedited dispersant approval mechanism. Drilling is still planned for the November-mid-January time frame.

Union has been engaged in discussions with the staff of the California Coastal Commission and with representatives of the National Oceanic and Atmospheric Administration, National Ocean Service, over the past nine months. These efforts were directed to resolution of some of the conflicts which resulted in the Commission's November 17, 1982 objection to Union's consistency certification for our approved Exploration Plan for OCS P-0203, and Union's subsequent appeal thereof. Representatives of the MMS and the U. S. Coast Guard participated in several of these meetings.

As the result of these discussions, Union has decided to ask that you resubmit the Exploration Plan and accompanying

APPENDIX B



documents to the California Coastal Commission for consistency certification concurrence. Please be advised that Union has made certain additional commitments to the Commission which we believe should enhance the prospect of Commission concurrence.

- 1) Union has agreed that it will only seek to develop the field proposed to be confirmed by this delineation drilling from a platform located outside the boundary of the Channel Islands National Marine Sanctuary.
- 2) Union has agreed to conduct a Vessel Traffic Safety Study similar to the one conducted earlier this year by the California Maritime Academy in conjunction with Chevron's drilling on OCS P-0205 in the starboard buffer zone of the northbound VTSS lane. The study is expected to cost \$75,000. Union believes that the study is justified due to the difference between the surface locations of the drilling on OCS P-0205 and OCS P-0203. Union's surface location is on the port side of the northbound VTSS lane, at a point where vessels should logically be involved in a turn which would move them away from Union's operation.
- 3) Union is also willing to equip the drillship with any additional safety features that may be recommended by the study conducted in conjunction with drilling on P-0205.
- 4) Union has advised Commission Staff that the drilling operation will be conducted in the shortest feasible time. We have estimated that OCS P-0203-5 will involve a total time of exposure to oil bearing formations of twenty-two days; this estimate is shortened to eighteen days for the redrill (OCS P-0203-6), assuming it is necessary.
- 5) Union has a genuine desire to cooperate with concerned agencies and will rely on the judgment of the Coastal Commission at the hearing to settle the question of the means of muds and cuttings disposal for this drilling location. Union proposes to do a study to determine the nature and extent of marine life in the water column in the vicinity of the surface location. The study should indicate if additional protection can be achieved through dilution

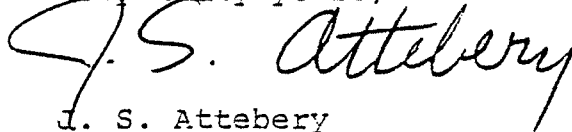
Mr. William Grant  
Minerals Management Service

Page 3  
September 22, 1983

and/or shunting of the muds and cuttings. Union will agree to implement whatever measures may be suggested by the study. However, if the Commission finds that land disposal is the best environmental approach for this location, we will agree to land disposal as a stipulation within the Commission's consistency concurrence.

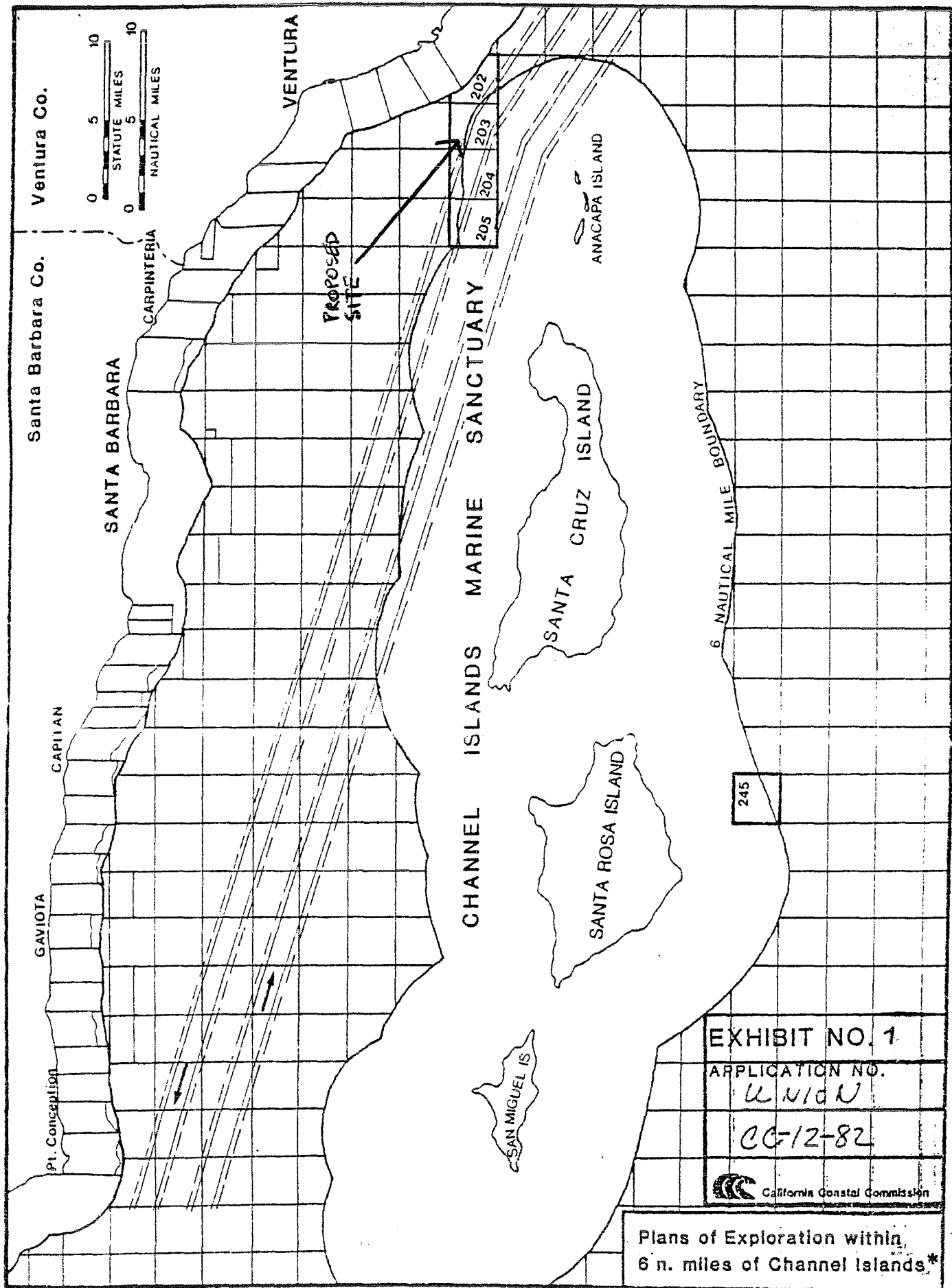
Union has asked Commission staff to place this request for consistency certification concurrence on the Commission's agenda for the second meeting in October. Accordingly, we urge that the MMS resubmit this Exploration Plan to the Commission as soon as possible.

Very truly yours,



J. S. Attebery  
District Land Manager

JSA



\*See Chart of Commission Action for detailed information.

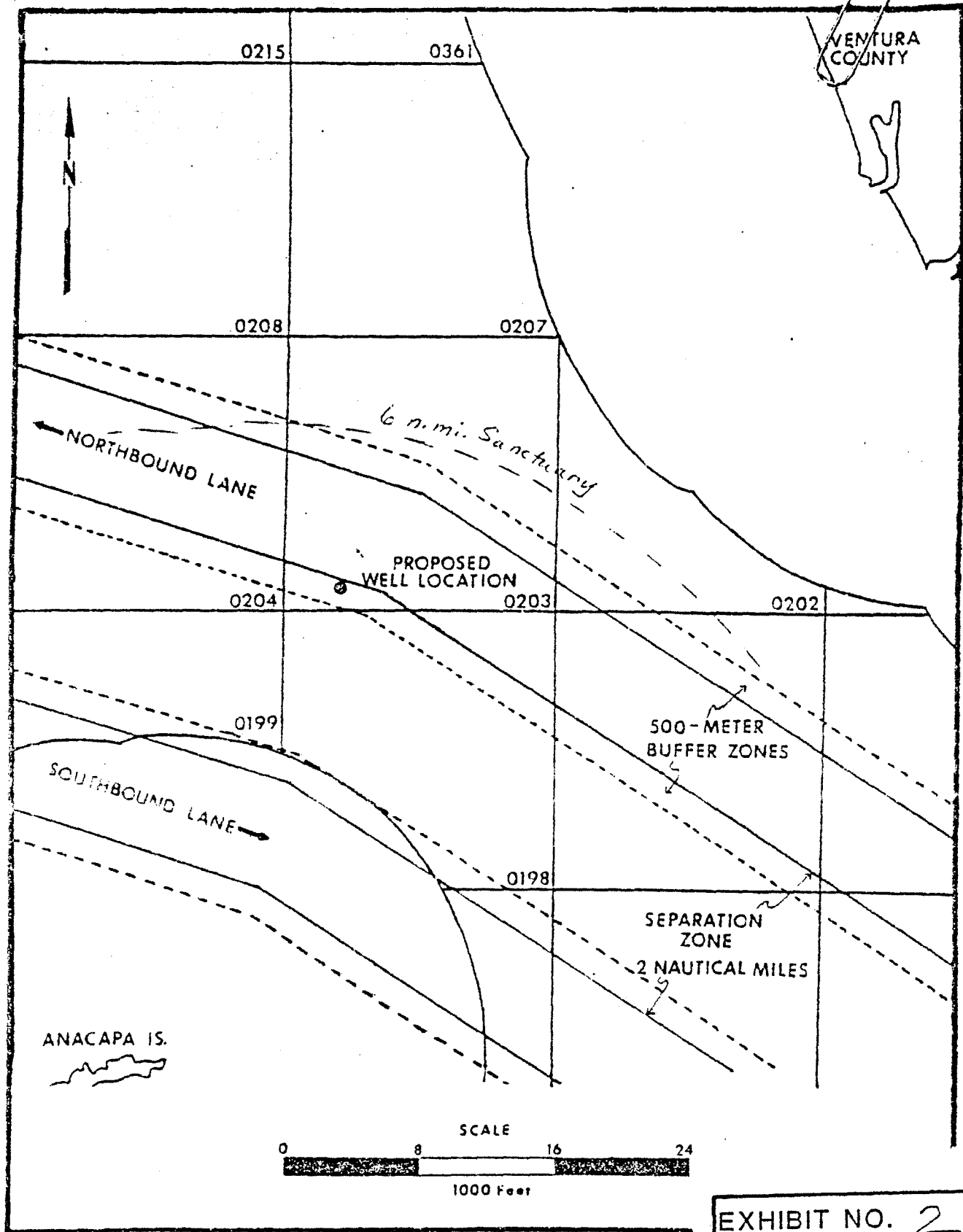


FIGURE  
III-22

VESSEL TRAFFIC SEPARATION SCHEME  
EASTERN SANTA BARBARA CHANNEL

EXHIBIT NO. 2
APPLICATION NO. UNION
CC-12-82
California Coastal Commission

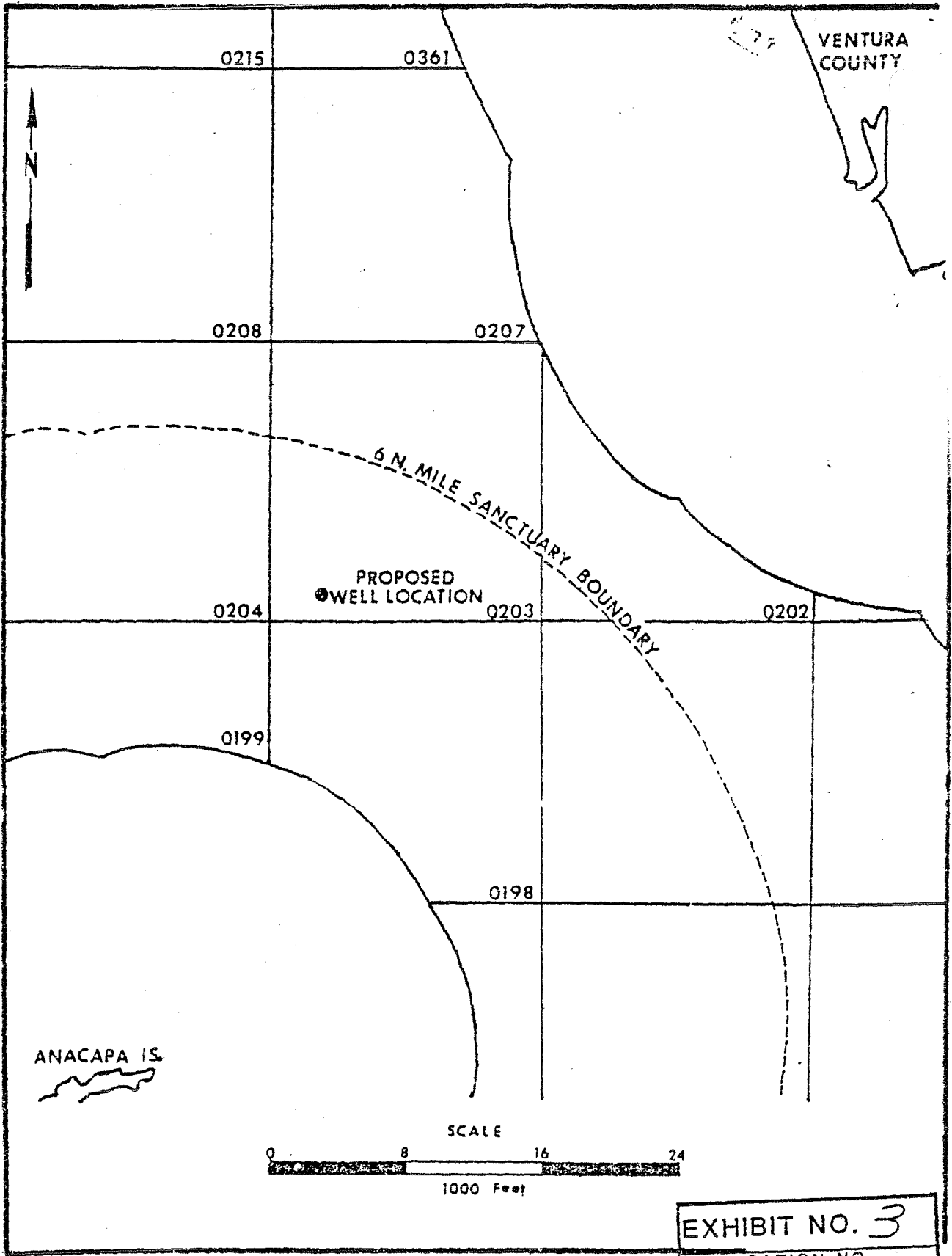


FIGURE  
III-23

BOUNDARY OF CHANNEL ISLANDS  
MARINE SANCTUARY

EXHIBIT NO. 3
APPLICATION NO. UNION
CC-12-82
California Coastal Commission

EXHIBIT A

# PROPOSED LOCATION UNION OCS P 0203-5

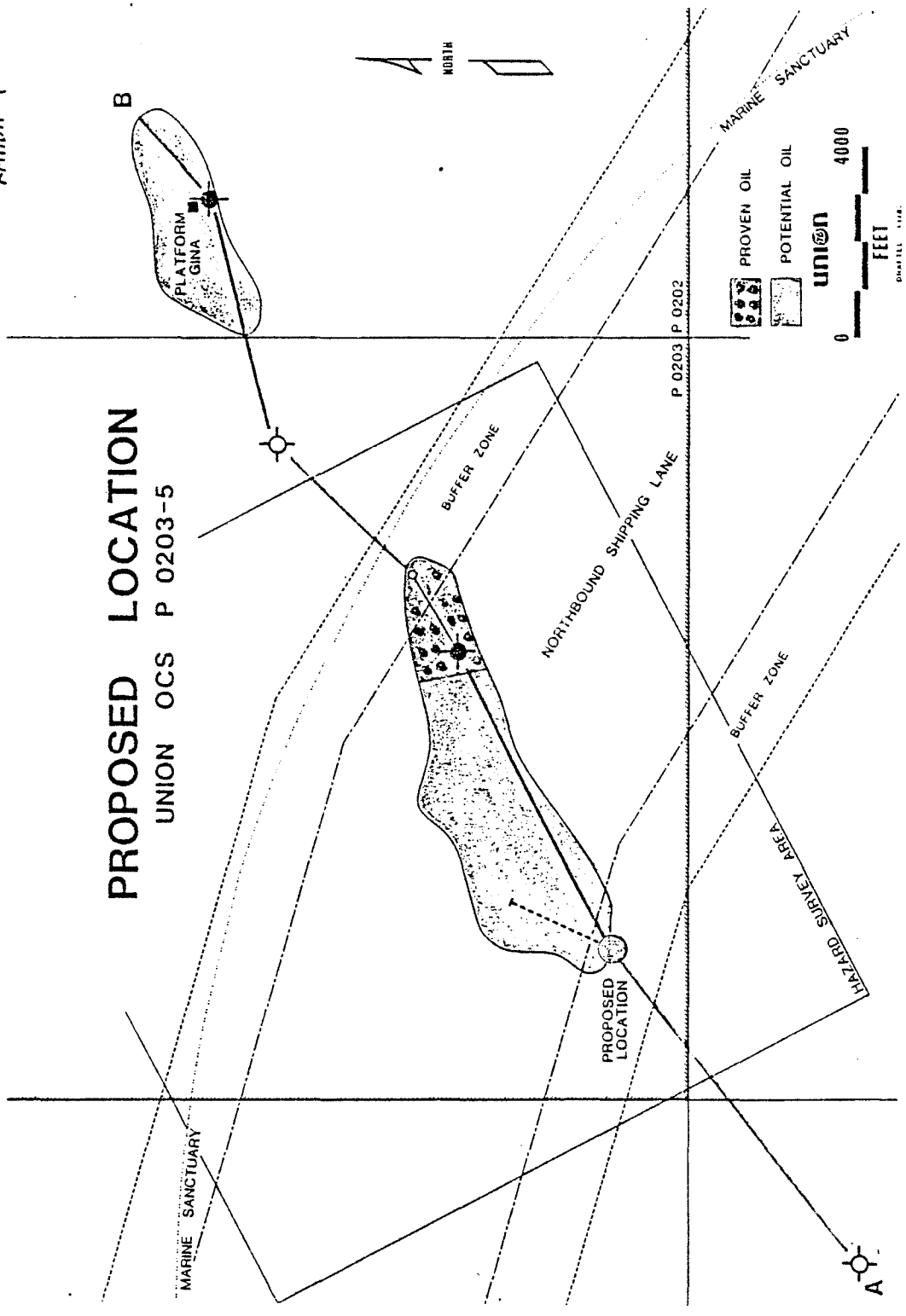


EXHIBIT A

CHART OF COMMISSION ACTION

Plans of Exploration within or near 6 nautical miles of Channel Islands

\* \* \*

UNION RESUBMITAL

	OCS lease 245 (1979) Concurrence	OCS lease 205 (1980) Objection	OCS lease 205 (1982) Concurrence	OCS lease 204 (1978) Concurrence	OCS lease 203 (1982) Objection
Project	1 gas well	1 oil well	2 oil wells	1 oil well on 204	2 oil wells
Location	4.3 n.mi. south of Santa Rosa Island	5.7 n. mi. north of Anacapa Island	6.83 n. mi. north of Anacapa Island (surface location)	8 n. mi. north of Anacapa Island	4.6 n. mi. north of Anacapa Island
Oil Spills	Oil spill trajectory low probability of oil movement in the direction of Santa Rosa and gas lease	Location of drillship near shipping lane increases risk of oil spill. Trajectory presents greatest risk during fall when drilling could be possible.	Recognized risk near shipping lanes. Extensive mitigation measures allowed Commission to find that project is approvable.	Recognized risk, but state of art containment included.	Increased risk due to shipping lane location. Trajectory greatest risk in fall.
Resources	Harbor seal and sea-bird activity concentrated in March to mid-June. "Window can be established."	Endangered species (Brown Pelican) breed at Anacapa. No window can be established.	Not located within 6 n. miles of Channel Islands	Not located within 6 n. mi. of Channel Islands	Endangered species (Brown Pelican) breed at Anacapa Island. No satisfactory window.
VTSS	Not located in VTSS or its buffer zones	Located in buffer zone of northbound lane of VTSS	located in buffer zone of northbound lane, 4 mi. NW of the "dog leg", or bend. 3 mi. margin of safety needed.	navigation not reviewed because of a "vested right" prior to approval of the CCMP.	located in buffer zone of northbound lane within the dog leg. No margin of safety.

EXHIBIT 5

Exhibit 5

## OBJECTIVES AND POLICIES OF THE CZMA

### DECLARATION OF POLICY

SEC. 302. The Congress finds that —

(a) There is a national interest in the effective management, beneficial use, protection, and development of the coastal zone.

(b) The coastal zone is rich in a variety of natural, commercial, recreational, ecological, industrial, and esthetic resources of immediate and potential value to the present and future well-being of the Nation.

(c) The increasing and competing demands upon the lands and waters of our coastal zone occasioned by population growth and economic development, including requirements for industry, commerce, residential development, recreation, extraction of mineral resources and fossil fuels, transportation and navigation, waste disposal, and harvesting of fish, shellfish, and other living marine resources, have resulted in the loss of living marine resources, wildlife, nutrient-rich areas, permanent and adverse changes to ecological systems, decreasing open space for public use, and shoreline erosion.

(d) The coastal zone, and the fish, shellfish, other living marine resources, and wildlife therein, are ecologically fragile and consequently extremely vulnerable to destruction by man's alterations.

(e) Important ecological, cultural, historic, and esthetic values in the coastal zone which are essential to the well-being of all citizens are being irretrievably damaged or lost.

(f) New and expanding demands for food, energy, minerals, defense needs, recreation, waste disposal, transportation, and industrial activities in the Great Lakes, territorial sea, and Outer Continental Shelf are placing stress on these areas and are creating the need for resolution of serious conflicts among important and competing uses and values in coastal and ocean waters.

(g) Special natural and scenic characteristics are being damaged by ill-planned development that threatens these values.

(h) In light of competing demands and the urgent need to protect and to give high priority to natural systems in the coastal zone, present state and local institutional arrangements for planning and regulating land and water uses in such areas are inadequate.

(i) The key to more effective protection and use of the land and water resources of the coastal zone is to encourage the states to exercise their full authority over the lands and waters in the coastal zone by assisting the states, in cooperation with Federal and local governments and other vitally affected interests, in developing land and water use programs for the coastal zone, including unified policies, criteria, standards, methods, and processes for dealing with land and water use decisions of more than local significance.

(j) The national objective of attaining a greater degree of energy self-sufficiency would be advanced by providing Federal financial assistance to meet state and local needs resulting from new or expanded energy activity in or affecting the coastal zone.

SEC. 303. The Congress finds and declares that it is the national policy—

(1) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations;

(2) to encourage and assist the states to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone, giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development, which programs should at least provide for—

(A) the protection of natural resources, including wetlands, floodplains, estuaries, beaches, dunes, barrier islands, coral reefs, and fish and wildlife and their habitat, within the coastal zone.

(B) the management of coastal development to minimize the loss of life and property caused by improper development in flood-prone, storm surge, geological hazard, and erosion-prone areas and in areas of subsidence and saltwater intrusion, and by the destruction of natural protective features such as beaches, dunes, wetlands, and barrier islands.

(C) priority consideration being given to coastal-dependent uses and orderly processes for siting major facilities related to national defense, energy, fisheries development, recreation, ports and transportation, and the location, to the maximum extent practicable, of new commercial and industrial developments in or adjacent to areas where such development already exists.

(D) public access to the coasts for recreation purposes.

(E) assistance in the redevelopment of deteriorating urban waterfronts and ports, and sensitive preservation and restoration of historic, cultural, and esthetic coastal features.

(F) the coordination and simplification of procedures in order to ensure expeditious governmental decisionmaking for the management of coastal resources.


(G) continued consultation and coordination with, and the giving of adequate consideration to the views of, affected Federal agencies.

(H) the giving of timely and effective notification of, and opportunities for public and local government participation in, coastal management decisionmaking, and

(I) assistance to support comprehensive planning, conservation, and management for living marine resources, including planning for the siting of pollution control and aquaculture facilities within the coastal zone, and improved coordination between State and Federal coastal zone management agencies and State and wildlife agencies; and

(3) to encourage the preparation of special area management plans which provide for increased specificity in protecting significant natural resources, reasonable coastal-dependent economic growth, improved protection of life and property in hazardous areas, and improved predictability in governmental decisionmaking; and

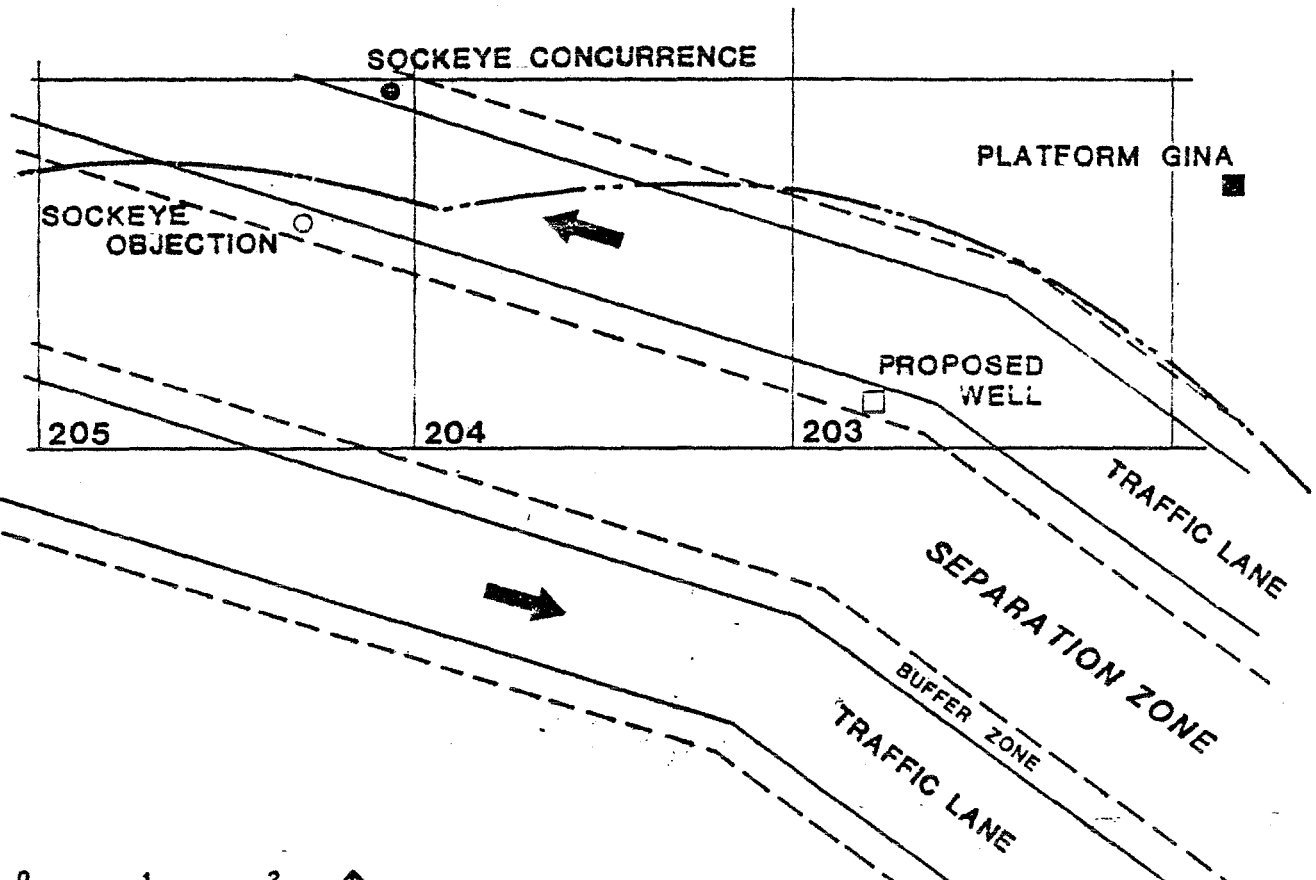
(4) to encourage the participation and cooperation of the public, state and local governments, and interstate and other regional agencies, as well as of the Federal agencies having programs affecting the coastal zone, in carrying out the purposes of this title.

EXHIBIT NO. 6
APPLICATION NO. UNION
CC-12-82
 California Coastal Commission




Separation Zone	2 n. mi.
Vessel Traffic Lane	1 n. mi.
Buffer Zone	500 m.

----- 6 nautical miles from Channel Islands



0 1 2  
NAUTICAL MILES



EXHIBIT NO. 7
APPLICATION NO. UNION
66-12-82
 California Coastal Commission



# United States Department of the Interior

NATIONAL PARK SERVICE  
CHANNEL ISLANDS NATIONAL PARK  
1901 SPINNAKER DRIVE  
VENTURA, CALIFORNIA 93001

IN REPLY REFER TO:  
L7619-CHIS

June 9, 1982

## Memorandum

To: Deputy Manager, Field Operation, Pacific OCS Region,  
Minerals Management Service, 1340 W. 6th Street,  
Los Angeles, California 90017-1297


From: Superintendent, Channel Islands National Park

Subject: 655 DM 1 Review, Exploration Plan - OCS-P 0203 Nos. 5 and 6

We note with interest and some concern the fact that Union Oil intends to drill two further exploratory wells in OCS-P 0203, one of those lease tracts which lies partially within the Channel Islands National Marine Sanctuary. In fact, the two wells would be the first such activity initiated within the sanctuary since its inception. Because of our responsibility for management of the sanctuary, as well as for administration of Channel Islands National Park, we wish to make the following comments.

Channel Islands National Marine Sanctuary was established to protect and preserve the extraordinary ecosystem surrounding the islands; the resources of both the sanctuary and the park are nationally recognized as outstanding. Therefore, while we acknowledge the legitimacy of Union Oil's right to develop Tract No. 0203 (under 15 C.F.R. 935.6, allowing hydrocarbon exploration within the sanctuary as the result of any lease executed prior to the effective date of the regulations) we were disappointed that Union's analysis of the various alternatives rejected the possibilities of slant drilling from north of the shipping lanes, outside of the sanctuary boundary. We feel that such an alternative would have been safer than developing the wells within the buffer zone (as is now planned), and would have best served to protect the integrity of the sanctuary.

In addition, we are very specifically concerned that an oil spill would affect Anacapa Island, which remains the only viable nesting area for the California brown pelican within the United States. This endangered species utilizes the island throughout the year for both breeding and

EXHIBIT NO. 8
APPLICATION NO. UNFON
CC-12-82
 California Coastal Commission

roosting; its nesting period alone might run from December through September. In fact, there is no time period when there is not the strong possibility of a spill affecting this bird's population.

For these same three reasons (i.e., planning to drill within the Sanctuary, planning to drill within the shipping lane buffer zone, and the possibility of harm to the Anacapa Island pelican colony), the California Coastal Commission objected to Chevron, USA's plans to develop OCS 0205 in the recent past. In spite of the conclusion found in Appendix D ("Coastal Zone Management Consistency Certification") of Union Oil's Exploratory Report, that the present plan is consistent with the California Coastal Zone Management Program, we remain very interested in the comments of the California Coastal Commission with respect to this plan, to see whether it agrees with such a consistency determination.

In addition, while it seems that the Diamond M. General has most of the equipment called for in the above regulations, we request that you remind Union Oil of the obligation that there be 15 bales of oil sorbent material onsite (15 C.F.R. 935.6(b)(3)), as well as that equipment which was listed on page 3 of the Safety and Contingency Plan.

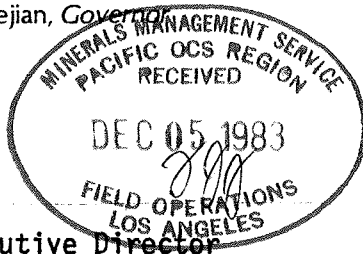
Thank you for the opportunity to comment. Please keep us apprised of the fate of this particular exploratory plan.

Y07 William H. Elorn

William H. Elorn

State of California, George Deukmejian, Governor

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



File Number: CC-12-82  
Date Received: 9/23/83  
3 Months Period Ends: 12/22/83  
Commission Action: Adopted staff recommendation, 0-8  
November 15, 1983

Michael L. Fischer, Executive Director  
William Travis, Deputy Director

REVISED FINDINGS ON CONSISTENCY CERTIFICATION

APPLICANT:

Union Oil Company of California

FEDERAL PERMITS THAT REQUIRE CONSISTENCY CERTIFICATION:

- Amended OCS Plan of Exploration
- Exploratory Drilling Permit
- U.S. Coast Guard Approval of U.S. Army Corps of Engineers Permit
- U.S. Army Corps of Engineers Permit
- Environmental Protection Agency NPDES Permit

PROJECT LOCATION:

Outer Continental Shelf, OCS-Parcel 0203 in the Hueneme Field, approximately 4.8 nautical miles north of Anacapa Island, in the buffer zone of the northbound traffic lane of VTSS, approximately 11 nautical miles south of the City of Ventura (Exhibits 1, 2, 3)

PROJECT DESCRIPTION:

Two exploratory wells from same surface location using an anchored drillship, Diamond M General. Total Project Duration - 45-75 days.

PREVAILING COMMISSIONERS:

McCarthy, Grossman, King, MacElvaine, McMurray, McNeil, Shipp, and Nutter

FINDINGS AND DECLARATIONS

The Commission finds and declares as follows:

I. Objection:

The Commission objects to the Consistency Certification made by Union Oil Company of California because the activities described in the amended Plan of Exploration affects the coastal zone and does not meet the policies of the approved California Coastal Management Program (CCMP) and is therefore inconsistent with the CCMP. Specifically, the Commission finds that Union's Plan of Exploration fails to meet the enforceable policy requirements of Sections 30230, 30231, 30232, 30240(a), 30250, 30260, and 30262 of the California Coastal Act (Section 30,000 et seq. of the California Public Resources Code). The Commission further finds that the amended Plan of Exploration fails to implement the national interest as specified in Chapter 11 of the CCMP and, Sections 302 and 303 of the CZMA and several federal statutes set forth in Section J of this report. The Findings and Declarations that follow explain in detail the effects that this proposed activity has on the coastal zone, how the activity is inconsistent with the specific mandatory provisions of the CCMP, and what alternative measures exist (if any) for Union to achieve its purpose of exploring developing the oil field in a manner consistent with the CCMP. Union has the right to appeal this objection within 30 days to the Secretary of Commerce on the grounds described in 15 CFR Part 930, Subpart H.

## II. INTRODUCTION

The Commission objected to Union's Plan on November 17, 1982. Union appealed the objection to the Department of Commerce but has withdrawn the appeal to allow Union to submit an amended Plan to the Commission. In an effort to determine if there were any possible alternatives to objection, the staff has met with Union on numerous occasions, beginning with consultation on October 19, 1981, over two years ago. Union has been cooperative and positive in trying to resolve problems that led to the Commission's objection to the initial POE. The staff recommendation is based on the amended Plan. Under the federal consistency regulations the Commission has three months in which to act on this Plan.

The applicant has submitted a letter to the Minerals Management Service, dated September 22, 1983, that it intends as an equivalent to a consistency certification for its amended OCS Plan. The letter, Attachment B, includes commitments not to propose any platform within the Marine Sanctuary even if oil is found within the Sanctuary, to drill in winter from November to mid-January when risk to the Brown Pelican population is lowest, to conduct a vessel traffic study and equip its drill rig with any safety features identified in the study or Chevron's similar study on OCS P-0205, to conduct its drilling operations "in the shortest feasible time," and to "rely on the judgment of the Coastal Commission" to settle the issue of disposal of drill muds and cuttings.

## III. Findings and Declarations

### A. Project Description

Union Oil Company of California proposes to drill two exploratory wells on lease OCS P-0203 located in the eastern Santa Barbara Channel 504 feet from the northbound shipping lane within the VTSS buffer zone and within the boundaries of the Channel Islands National Marine Sanctuary. (Exhibits 1, 2, 3) The wells will be drilled from the same surface location, extending a maximum depth of 6,000 feet. The bottom hole location will extend under the shipping lane. The results of the first well affect plans for drilling the second well. The proposed well-site is 3.3 miles southwest of Platform Gina, currently producing oil from the Hueneme Field. In 1969, Mobil drilled four exploratory wells on the lease between the proposed well-site and platform Gina. Exxon has drilled 1 exploratory well southwest of the drill-site on an adjacent lease. Union originally proposed to drill within the sea lane itself but revised the drill-site location after consultation with the Commission staff, Commerce Department, MMS and U.S. Coast Guard. The present proposed location requires directional drilling angles up to 40°. Information from this exploratory drilling will be used to decide whether to further develop the Hueneme Field and where to install a platform. In all likelihood, Platform Gina will not handle production from this field. (Exhibit 4)

### B. Background

#### 1. Channel Islands Prior to Designation as a Marine Sanctuary

The Commission and the State of California have long recognized and protected the environmental resources of the Channel Islands and its offshore waters. The Commission's own involvement began in 1977 when it prepared a resource evaluation of 10 prospective California marine sanctuary sites. The Channel Islands area ranked among the top two because it possessed all necessary criteria for federal protection as a Marine Sanctuary under the Marine Sanctuaries Act of 1972. The Commission has previously documented its involvement in the federal program in comments, chronology

and bibliography dated July 30, 1981 and submitted to NOAA. All substantive file documents, including the references cited therein are hereby incorporated as a part of these findings.

California, in addition to the Commission, protected, recognized, and promoted the environmental resources of the Channel Islands and its offshore waters prior to the creation of the Coastal Commission and prior to the passage of the 1972 federal Marine Sanctuaries Act. The Legislature protected the State offshore waters when it established an oil and gas sanctuary around the islands in 1955. Likewise the resources have been recognized by the Department of Fish and Game as an Ecological Reserve (California Fish and Game Code 1580). Also, California Water Resources Control Board has designated the state waters as an area of Special Biological Significance (ASBS), prohibiting discharges into the waters. Similarly, in 1975, the Governor recommended to the federal government a 6 nautical mile exclusion area for oil and gas operations. These actions demonstrated that the area must be considered an environmentally sensitive habitat area and an area of special biological significance.

## 2. Commission Position on Channel Islands Sanctuary

The sanctuary, bounded by ocean waters extending outward six nautical miles around San Miguel, Santa Rosa, Santa Cruz, Anacapa and Santa Barbara Islands, was formally designated on September 22, 1980, after receiving Presidential approval that prohibited new oil and gas leases within its boundaries. Union's lease was executed in 1968 prior to revisions in federal OCS laws that recognized state participation in the federal oil leasing and development process and hence is termed a "pre-existing lease". According to the Minerals Management Service, there are a total of 5 leases similarly affected. The implementing federal regulations prohibiting oil and gas development do not extend to the 5 pre-existing leases. However, this does not affect the Commission's right to review exploration and development plans under these leases pursuant to the Coastal Zone Management Act. Very small portions of 3 tracts leased in 1978 are in the Sanctuary (0348, 0356 and 0357) but do not have "pre-existing lease" status allowing oil and gas activities within the Sanctuary boundaries. After Union's 1969 oil spill, the federal government suspended oil and gas exploration and development in the Channel, thereby preventing companies from expeditiously exploring and developing. Union has obtained numerous time extensions to the lease having shown "due diligence" to the federal government.

In January, 1980, the Commission commented on the DEIS and FEIS to the Department of Commerce on the proposed sanctuary designation. The comments were:

1. No oil or gas exploration shall be permitted within six nautical miles unless the lessee has first explored adjacent leased area outside the six nautical mile area.
2. Prior exploration outside the sanctuary must indicate a likelihood of an oil or gas field extending within the six nautical mile area.
3. No oil and gas development and production shall be permitted within the six nautical mile area, even if a tract is located entirely within the six nautical mile area.

Union's consistency certification and testimony before the Commission described the comments as "exceptions" to the Coastal Act. Union concluded that its project was approvable because it met these so-called "exceptions". ~~of the Coastal Act. Union, however, failed to discuss exception #3. The Commission submitted the "exceptions" to NOAA in DEIS comments as suggested federal regulations governing the sanctuary. However,~~ NOAA rejected the Commission's comments, as well as the Commission's recommendations that the sanctuary boundary extend outward from the island for 12 nautical miles. In its final comments to NOAA, the Commission responded that it would continue to exercise consistency review over the 5 existing leases and therefore gave notice that projects in such leases could receive objections if warranted by special circumstances. Thus, since the federal government rejected the testimony, "exceptions" are not binding in any way on the Commission, and Companies are advised that the "exceptions" should not be viewed as a relaxation of the consistency review standards of the Coastal Act or as definitive standards that should be applied to the Union POE. Furthermore, these comments on the EIS were not intended to commit the Commission to a particular POE, especially one located in a hazardous vessel traffic safety scheme buffer zone.

~~Even if it is assumed that the exceptions apply to this project, Union has failed to establish an approvable project. Turning to #1, Union has met this requirement having explored Lease 0202 to the east. (Exhibit 4) As to #2 and #3 Union has not demonstrated that the field extends within the sanctuary boundary. Present information indicates that the field "probably lies wholly within the six nautical mile boundary." (Union's Consistency Certification, p. 9.) Union requests exploratory drilling because the unexplored portion of the geologic structure cannot be reached by directional drilling from a location outside the Marine Sanctuary. However, the explored portions to the east establish a structure most likely confined within sanctuary boundaries. There is no evidence from any exploratory drilling that establishes the existence of an oil resource extending beyond the boundaries of Lease 0203 outside the sanctuary. In fact, existing geologic faults which would hold the oil to specified boundaries corroborates the Commission finding that the oil resource lies wholly within sanctuary boundaries. (Exhibit 4) For Union to produce economically from outside the sanctuary boundary, the resource would have to be exceedingly rich to justify the technical problems that must be overcome. Union has committed to produce outside of the Sanctuary. (Appendix B, p. 2)~~

### 3. Previous Commission Consistency Reviews

A comparison of the Commission's past position on POE's in or near six nautical miles of the Channel Islands is presented in Exhibit 5. Plans of Exploration on OCS P-0245 and 0204 differ substantially from Union's proposal. The Commission approved Chevron's project on OCS P-0245, even though it was located in the Marine Sanctuary, because (1) Chevron was drilling for gas only, (2) even if oil was found, the spill trajectories showed oil travelling away from the islands, and (3) there was a clearly defined window of low risk to the harbor seal population. OCS P-0204 proposed drilling 2 miles outside of the Sanctuary boundaries.

Chevron's POE for 0205 was the most similar to Union's proposal. The Commission has concurred in three instances, objected in one. The Commission objected to Chevron's lease 0205, located one parcel west and three nautical miles from Union's lease, a distance of three nautical miles. Lease 0205 was also located in the Sanctuary and in the VTSS buffer zone.

Chevron revised its POE, moving the well site outside of the Sanctuary, and out of the southern buffer zone of the northbound sea lane into the northern buffer. It also sponsored a study of vessel traffic responses to the location of a drill rig in the buffer zone. The Commission concurred in Chevron's resubmittal (CC-9-81). Exhibit 5 compares Chevron's first submittal, its amended POE, and Union's POE now under review. Union's resubmittal for O203 does not include a change in location. Union's plan differs from Chevron's approved POE in the following ways: (1) it is within the Marine Sanctuary; (2) it is within the southern buffer zone of the northbound sea lane, requiring supply and crew boats to cross the sea lane to service the drill rig; and (3) the oil field "probably lies wholly within the Marine Sanctuary", according to Union geologists.

### C. Marine and Coastal Resources

Sections 30230 and 30231 are the policies of the Coastal Act applicable to effects of oil and gas exploration on marine and coastal resources. The sections provide the following:

Section 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.

Section 30231. The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

#### 1. Documentation of the Resources

Introduction. As indicated in the Background, the marine environment surrounding the Channel Islands and the offshore waters are unique coastal resources constituting an environmentally sensitive habitat area and an area of special biological significance. The State has designated these waters both an Ecological Preserve and an Area of Special Biological Significance, to protect the living resources and preserve the water quality in the area. And the Federal government has created a National Marine Sanctuary, extending 6 nautical miles around the northern Channel Islands. California's coastal zone includes the offshore islands and all surrounding state waters so that such resources can be protected. (Section 30103) Thus, this project has been examined for effects on coastal resources located both on the mainland coastline including surrounding state waters and on the offshore islands including surrounding state waters.



The Channel Islands are sufficiently isolated from the mainland and from one another to permit the development of numerous endemic populations of marine flora and fauna. This isolation also provides a refuge for over 80 species of resident and migrant seabirds, as well as breeding and pupping areas for five species of seals and sea lions. The rich, offshore waters of the Channel Islands serve as a significant foraging area for 13 breeding seabird species including the endangered California Brown Pelican, as well as large numbers of migrants. These migrants include shearwaters, loons, grebes, albatross, storm-petrels, fulmars, and many others. Collectively, the islands constitute a major seabird breeding area of the eastern north Pacific, the largest such area south of the Farallon Islands.

a. California Brown Pelican. The California Brown Pelican (Pelecanus occidentalis californicus) was classified as endangered by the U.S. Fish and Wildlife Service in 1970. Subsequently, in 1971, the California Fish and Game Commission designated the California Brown Pelican endangered under the California State Endangered Species Act of 1970. The California Brown Pelican is one of six recognized subspecies of the Brown Pelican (Wetmore 1945). Only the Brown Pelican population located along the Pacific coast of the United States and Mexico and the Gulf of California is considered a part of the California sub-species.

Anacapa Island, one of the California Channel Islands and located 4.8 nautical miles from the proposed Union well sites, is the only stable breeding colony of the California Brown Pelican in the United States. Brown Pelicans have been recorded nesting on four of the Channel Islands and their associated isles: Anacapa, Santa Cruz (Scorpion Rock), Santa Barbara Island (including Sutil), and San Miguel Island (including Prince Island). Anacapa supports, by far, the largest Brown Pelican breeding population. Anacapa Island has the only colony which is active every year. All other historic Brown Pelican breeding areas in California are ephemeral and active only occasionally.

West Anacapa, where the pelicans usually nest, has steep, heavily vegetated slopes. It has been designated as a Research Natural Area and is therefore closed to public visitation to protect the nesting habitat of the Brown Pelican. A State Ecological Reserve boating closure zone has been established on the north side of West Island to further prevent disturbance to breeding and feeding pelicans.

In the California Brown Pelican Recovery Plan (by Gress and Anderson for the U.S. Fish and Wildlife Service), approved draft/unpublished, February 1983), the U.S. Fish and Wildlife Service divides the California Brown Pelican into four general breeding populations: (Note: these populations are ~~able to interbreed~~ capable of interbreeding, but typically return to the colony of their birth)

- o Southern California Bight Population: This consists of the breeding colonies of the Channel Islands and the islands off the northwestern coast of Baja, California as far south as Isla San Martin. Anacapa Island and Los Coronados (off northern Baja, California) have historically been the most important breeding areas in the Southern California Bight.
- o Gulf of California Population: This group breeds mainly on the desert islands in the middle portion of the Gulf of California.
- o Southwest Baja, California Coastal Population: This group nests on the various islands in the Bahía Sebastian Viscaíno and Bahía Magdalena area.

- o Mexican Mainland Population: The pelicans in this group breed mainly on mangrove islands and in mangrove trees in wetlands in the Sinaloa area off mainland Mexico and the nearby offshore islands.

The Southern California Bight (SCB) breeding population has been estimated to comprise from 6 - 10 percent of the entire breeding population of the California Brown Pelican. ~~Although the Southern California Bight population forms the northern extreme of the pelican breeding range, researchers believe the population to be quite viable.~~ "The Brown Pelican has a long-term historical presence in the Southern California Bight. It should not, therefore, be considered a founder population because of its location at the periphery of the subspecies range. SCB pelicans may be expected to have higher (or at least equal) long term reproductive rates and, furthermore, might also be genetically less variable (as a result of different selection pressures) than populations in the Gulf of California in the center of the subspecies range. As such, the SCB population might be somewhat genetically distinct." (page 13, The California Brown Pelican Recovery Plan). ~~by Gress and Anderson for the U.S. Fish and Wildlife Service, approved draft, unpublished, February 1983~~

b. Other Significant Sea Bird Populations. Anacapa, as a part of the Channel Islands, is also an important breeding location for numerous other seabirds. All three islands (East, Middle, and West) that make up Anacapa are characterized by precipitous sea cliffs pocketed by numerous sea caves and burrows that provide habitat for seabirds. Anacapa supports the largest western gull colony in the Channel Islands. Also breeding on this island are populations of Xantus' murrelet, pigeon guillemot, double-crested cormorants, black oystercatchers and occasionally brandts and pelagic cormorants.

## 2. Potential Impacts of Oil Spills on Pelicans and Other Seabirds: Section 30232

The Coastal Act requires protection from oil spills in Section 30232, quoted in the Oil Spill section of this recommendation. Its specific applicability to the environmentally sensitive habitat is highlighted here. An oil spill from Union's currently proposed exploratory project and potential development proposal could significantly impact Brown Pelicans and other seabirds. The following discussion focuses on the habitat values of Anacapa and the surrounding waters for Brown Pelicans and the effect of oil on the birds.

As previously discussed, California brown pelicans observed in the Channel Islands area are a combination of the Southern California Bight breeding population and members of the Mexican breeding populations. Except when a bird is actually nesting exhibiting breeding behavior, there is no way an observer can discern whether an individual pelican is from a member of either the California Bight or Mexican breeding populations.

The Brown Pelican breeding season on Anacapa and the other Channel Islands is unpredictable. The onset and completion of pelican breeding can change from year to year depending on food availability and oceanographic conditions. The Southern California Bight Brown Pelican breeding population may begin to concentrate on Anacapa Island and nearby Scorpion Rock as early as December. Pelican breeding can begin on Anacapa from the end of December to the end of May. Eggs are laid and incubated for approximately 30 days, and the young fledge in around 12-13 weeks after hatching, so young can be found on the nests through September or early October.

Numbers of nesting pairs have varied from year to year. In 1976, 417 nests were counted. In 1977, only 76 pairs of pelicans nested, but for the last five ~~three~~ years (1979 - 83) Anacapa has been the largest colony in the Southern California Bight. In 1978, 335 pairs nested, and in 1979, 1,258 pairs were counted on nests and in 1981 3000 pairs were observed, and in 1982, 1,862 pairs nested.

Reproductive success has varied over the years primarily because of food availability, and pollution of ocean waters. During the late 1960's and early 70's, large drops in the Brown Pelican populations occurred as a result of eggshell thinning due to pesticide contamination (DDT- & DDE) in southern off California ocean waters. After cessation of the main source of DDT input into Southern California waters, reproductive success of the Brown Pelican improved.

California Brown Pelicans breed in Mexico earlier than they do in the Southern California Bight. The pelicans from the Mexican population disperse after breeding and usually move northerly into California during summer and fall as they search for food. The peak population of both resident and Mexican breeding groups is dependent on food availability. While fluctuating yearly, pelican numbers usually increase as the summer progresses, reaching annual population highs in the fall. Maximum Channel Island counts of 10,600 and 10,400 individuals were observed in September and October 1977 by BLM researchers. BLM researchers estimated the combined population of all pelicans in the Bight area in October of 1977 to be 94,000 individuals, representing a large segment of the entire world population of this subspecies. When most abundant, Brown Pelicans were particularly concentrated in the eastern Santa Barbara Channel, Santa Monica Basin, and around shallow island shelves--including those of Anacapa, Santa Cruz, and Santa Barbara Islands.

Pelicans are considered by experts to be especially vulnerable to oil. (Letter to Commission from Gress and Anderson, November 5, 1982) Studies have shown that pelicans may plunge through oil slicks when feeding and are not as likely to avoid oil as certain other birds do. (Staff interpretation of data from an unpublished draft final report Seabird-Oil Spill Behavior, Nero and Associates for the Bureau of Land Management, May 1982, pp. 86-88) Oil can cause health problems or death when encountered at any stage of the pelican's life cycle. Birds can ingest oil when preening feathers, oil can enter the body through the skin, and certain types of oil can disrupt the natural oils on the feathers. Heavily oiled birds would be poisoned, unable to eat or fly and would probably die.

Adult pelicans from the Mexican and Anacapa breeding populations can be found roosting on Anacapa Island and feeding in the surrounding waters at any time of the year. Therefore, adult non-breeding birds would be under some risk year-round from oil spills near Anacapa and throughout the Santa Barbara Channel. The Anacapa breeding population is most at risk from the time the birds begin breeding (as early as December) until all the young birds have fledged (usually by the end of September). When resident pelicans are building nests, breeding, and raising young on Anacapa, their foraging is concentrated in waters near the island, as long as food is available. During breeding and nesting, both male and female adults leave Anacapa every day to feed and bathe. If the birds encounter oil while bathing or feeding, they will carry that oil back to the nesting colony on feet and feathers. Pelicans incubate their eggs with their feet. Oil on an egg is lethal to the embryo. After the eggs hatch, the young birds are fed by the parents and would be injured if their parents brought oil to the nests. When the young birds are fledging they sit on rocks and bathe and feed in the waters very near the island. While growing their flight feathers and learning to fly and feed, these young birds are especially susceptible to injury and death from oil contact.

As discussed earlier, the presence of pelicans and the timing of the breeding season is dependent on oceanographic conditions and food availability. During the breeding season, depending on food availability, Brown Pelicans feed within about a 50 kilometer range of Anacapa. When food is available, the heaviest concentration of pelican feeding is usually within 30 kilometers of Anacapa. If food is very difficult or impossible to obtain, pelicans may not breed, postpone breeding, or even abandon eggs or hatched young.

The recent changes in oceanographic conditions, termed (El Nino) have reduced the availability of food for pelicans. This caused a fairly high rate of nest abandonment in the Anacapa colony during the 1983 breeding season. There is no way to predict the oceanographic conditions and food availability for 1984. Some experts feel that the warming effects of El Nino may continue through 1984 and could cause the movement of anchovies (a major pelican food source) further offshore and into deeper water away from the breeding colony. This could effect the timing and reduce the success of the 1984 breeding season. An oil spill, in addition to low food availability, could significantly reduce ~~eliminate all~~ successful production of pelican young on Anacapa for a breeding season. The full impact that this would have on the Southern California Bight population of the "endangered" Brown Pelican is unknown.

Section 7 of the federal Endangered Species Act of 1973 requires a Biological Opinion by the U.S. Fish and Wildlife Service for a project that could jeopardize the continued existence of Endangered or Threatened species or result in the destruction or adverse modification of critical habitat of such species. Because of the proximity of Union's project to the Anacapa Brown Pelican colony, this "Section 7" consultation is a requirement. In November of 1979, the U.S. Fish and Wildlife Service prepared a Biological Opinion Regarding Oil and Gas Exploration and Development Activities in Southern California. Although the subject "Section 7" consultation covered the oil and gas exploration activities for those tracts leased prior to OCS Lease Sale 35, and those leased in OCS Sale 35 and 48, it did not specifically address Union's project.. The consultation (pages 7 and 8) points out that there is risk to the Anacapa pelicans from oil spills on tract 0203 and other nearby tracts. The Biological Opinion suggested specific oil spill measures that were necessary so that exploratory project would not "jeopardize the pelicans". According to MMS, all of these requirements have been fulfilled by Union. A new "Section 7" consultation for Union's current proposal was not prepared by USFWS and the original 1979 opinion still covers exploratory drilling on 0203.

However, the USFWS and the National Marine Fisheries Service (NMFS) both reviewed a 1982 environmental document by the Minerals Management Service on Union's project. The USFWS submitted a letter to MMS on June 9, 1982 which expressed concern about Union's project and requested additional oil spill contingency conditions. The June 4, 1982 letter from NMFS expressed strong concern over drilling within the Sanctuary close to Anacapa. Although both letters recognized that activities on pre-existing leases were technically exempt from marine sanctuary rules, both agencies stressed that the biological resources would best be protected by siting outside of the vessel buffer zone and the Sanctuary area. It is obvious from the letters that both agencies objected to the Union project but were constrained by the Marine Sanctuary regulations exempting pre-existing leases. (see Attachments C and D). However, under the CZMA, the Commission is not constrained by these exemptions and may judge each project on its merits as it relates to the CCMP.

The specific concerns of the NMFS, USFWS and National Park Service provide sufficient evidence that the risks to the Brown Pelican population are unacceptable

under the CCMP. In a June 4, 1982 letter to the MMS regarding Union's 0203 proposal, the NMFS stated:

We are very concerned with the proposed location of the wells, which are approximately one mile within the existing boundary of the Santa Barbara Channel Islands Sanctuary... While we recognize that activities on existing leased tracts are technically exempt from such a ban, we would still recommend that when exploring and developing an existing lease, to the extent possible, all work be conducted from outside sanctuary boundaries. This need to maintain the full sanctuary buffer zone is especially important in this instance since the Channel Island nearest the proposed site for exploratory drilling is East Anacapa Island, whose north shore has been designated not only part of a State Ecological Reserve, but a "Natural Area" of particular biological and geological significance.

We also have some concern with the proximity of the proposed drilling sites to the designated vessel traffic lanes. Santa Barbara Channel is heavily travelled and there remains the threat of a vessel colliding with the drilling structure, possibly resulting in a spill situation.

In a June 9, 1982 letter to the MMS regarding Union's 0203 project, the USFWS stated:

The location of these proposed exploratory wells is within the marine sanctuary around Anacapa Island of the Channel Islands National Park and at the southern boundary of the northbound shipping lanes. The proposed exploratory wells provide the potential for an oil spill in environmentally sensitive habitats. Previously FWS has expressed concern for endangered species and sensitive habitats near P-0203 exploratory wells due to their encroachment into the shipping lanes and the proximity of the wells to the then proposed Channel Islands Marine Sanctuary and National Park. These comments still have some validity.

Biological concerns associated with development of this OCS tract are due to the nearness of Federal and Stated Endangered California brown pelican nesting and roosting habitats on Anacapa Island and the potential for oil spill trajectories directed by seasonal currents and storm surges which may carry a surface spill onto State of California designated Areas of Biological Significance at Mugu Lagoon and Point Mugu to Latigo Point. In addition, the site is near trawl and gillnet fisheries located in the Ventura "flats" and is within the known migration routes for endangered marine mammals (gray and sei whales, pinnipeds, and cetaceans). All of these biological issues are discussed in the ER. However, the ER relies on an oil spill trajectory analysis based on studies for Platform "Gina" which is located closer to the mainland. The "Gina" study may not be relevant for it is located in an area which has reduced tidal circulation.

Although Congressional action authorized oil/gas activities to continue in already leased tracts, it did not permit expansion of these activities into the boundaries of the Marine Sanctuary. Technically, P-0203 is a lease granted to Union Oil Company prior to formal declaration of the Marine Sanctuary. Restrictions were placed on drilling activities, specifying the need for special oil containment equipment and supplies as specified in 45 CFR.

Due to the proposed timing of the work (late fall and winter storm season) and its close proximity to shipping lanes, environmentally sensitive habitats, endangered marine mammal migration corridors, and commercial trawling areas, additional environmental protections are needed.

Furthermore, the National Park Service provided the following statements to MMS on Union's project. (Attachment E) The June 9, 1982 letter states:

We are very specifically concerned that an oil spill would affect Anacapa Island, which remains the only viable nesting area for the California brown pelican within the United States. This endangered species utilizes the island throughout the year for both breeding and roosting; its nesting period alone might run from December through September. In fact, there is no time period when there is not the strong possibility of a spill affecting this bird's population.

For these same three reasons (i.e., planning to drill within the Sanctuary, planning to drill within the shipping lane buffer zone, and the possibility of harm to the Anacapa Island pelican colony), the California Coastal Commission objected to Chevron, U.S.A.'s plans to develop OCS 0205 in the recent past. In spite of the conclusion found in Appendix D ("Coastal Zone Management Consistency Certification") of Union Oil's Exploratory Report, that the present plan is consistent with the California Coastal Zone Management Program, we remain very interested in the comments of the California Coastal Commission with respect to this plan, to see whether it agrees with such a consistency determination.

Under Section 30240 of the Coastal Act, cited and discussed in more detail below, the Commission must protect "environmentally sensitive habitat areas" and adjacent areas. Because the Brown Pelican is an endangered species, the pelican habitat on and around Anacapa is an "environmentally sensitive habitat area". The Coastal Act clearly states the "environmentally sensitive habitat area shall be protected against any significant disruption of habitat values; and only uses dependent on such resources shall be allowed within such areas." The drilling of Union's exploratory well is clearly not a use appropriate within an "environmentally sensitive habitat area" and the project as proposed in the vessel traffic buffer zone poses a significant risk to the endangered Brown Pelican throughout the year.

Section 30230 of the Coastal Act requires that special protection be given to areas and species of special biological significance. The endangered California Brown Pelican is clearly a species of biological significance and must be afforded all reasonable protection. The Commission has a long-standing policy prohibiting any drilling activities within 6 miles of Anacapa and the other Channel Islands. This has proven to be a sound policy. Although the Anacapa pelicans could still be damaged by oil spills occurring outside of the 6 mile buffer area, the pelicans are afforded a special level of protection in the very critical area surrounding their only U.S. breeding colony. The Department of Fish and Game recognized the need for this special level of protection and stated that they believe this project to be inconsistent with the CCMP. In their June 16, 1982 letter to the Commission, they stated that they "have consistently recommended the deletion of lease tracts within six nmi of the northern Channel Islands...to provide a buffer between potential oil and gas exploration and development and areas containing valuable as well as delicate natural resources." (Attachment F)

Therefore, in conclusion, the Commission finds that this project places an undue risk on the endangered California Brown Pelican and is inconsistent with Sections 30230, 30231, and 30240 of the Coastal Act. Analysis under Section 30260 (Section J) finds that although the project's impacts on marine resources are mitigated to the maximum extent feasible and there is no alternative location, it fails to meet the public welfare test and is therefore inconsistent with the Coastal Act.

### 3. Drilling Fluids and Cuttings

As discussed above, Coastal Act Sections 30230 and 30231 require that the biological integrity of coastal and marine resources to be maintained and enhanced. Section 30231 states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment ...

Union's project is located within a biologically sensitive area, approximately 4.8 nautical miles from Anacapa Island. Even before the area's designation as a Marine Sanctuary, the Commission had established a policy that there should be no oil exploration or production activities within six miles of the Channel Islands.

The Commission finds, as discussed below, that the offshore disposal of drilling fluids and cuttings releases substances to the marine environment which may be either toxic to marine organisms or may have deleterious sublethal effects on these organisms. While there is insufficient data to definitely determine whether the two Union exploratory wells discharge enough toxic substances to significantly damage the marine environment, the evidence clearly shows that such discharge is not conducive to the maintenance of "optimum populations" of marine organisms, contrary to Section 30231. The Commission finds that the area is an especially productive marine habitat area. Section 30230 specifically requires that "special protection" be given to areas and species of "special biological or economic significance." The express language of these two sections requires that the Commission adopt an exceptionally cautious approach to approving uses which may have an adverse effect on this area.

The current NPDES general permit which allows ocean disposal of muds and cuttings on this lease will expire on December 31, 1983. The EPA is currently considering extension of the permit until June 30, 1984. However, the Commission finds that issuance of the NPDES permit is based upon the erroneous premise that one permit can effectively regulate muds and cuttings over the entire California coast. Therefore, the Commission finds that it must assert its consistency review authority over the current NPDES permit for this project to assure the maintenance of optimum populations of marine organisms.

a. The Effects of Drilling Fluids and Cuttings on the Marine Environment. The Channel Islands were selected as a Marine Sanctuary in large part because of the extraordinary concentration of the following resources: 1) marine mammals; 2) seabirds; 3) fish, shellfish, and kelp resources; 4) intertidal organisms; and, to a lesser extent; 5) archaeologic/historic resources. Of these resources, muds and cuttings are most likely to affect fish.

The proposed Union wells are to be located in open waters beyond the island shelves which are generally characterized by offshore pelagic areas. In these areas, the small schooling species such as the northern anchovy, Pacific saury, sardine, mackerel, and squid are particularly important because of their vital role in the marine food chain. The nutrient rich waters fed by regional upwellings support exceptionally abundant populations of these species which in turn are fed upon by other fish, the seabirds, marine mammals, and humans. The abundance of these fish is undoubtedly a significant factor in supporting the large concentrations of marine mammals and seabirds in the area (FEIS on the Proposed Channel Islands Marine Sanctuary, May 1980).

Therefore, if drilling fluids and cuttings were to negatively affect larval forms of fish (when they would probably be most susceptible to toxic substances), or adult forms, this could in turn negatively affect both recreational and commercial fisheries as well as the birds and mammals which consume the fish. However, the effects of these substances and their constituent elements on marine organisms is far from clear. Nonetheless, the Department of Fish and Game, in a report on drilling muds prepared for the Commission (J. Steele, 1983), recommended that until definitive information on the effects of discharges is available, the Commission should be very concerned about the possible accumulative impacts to California's coastal resources from drilling in the OCS.

In addition, the Commission has conducted its own review of the literature and concurs with the Department's concerns. For example, Tagatz et al (1980) found that the presence of high mud concentrations on the sediments can inhibit settlement and recolonization by many types of organisms. Schatten (1982) found that barium interfered with the fertilization and early development of sea urchin embryos. Sweeney (1981 testimony before the EPA) has stated that small amounts of copper and other heavy metals in sea water are exceedingly toxic to phytoplankton; these tiny plants are the basis of the food chain on which many other organisms depend. Brannon and Rao (1979) investigated sublethal responses of organisms to used drilling muds and observed decreased growth rates in oysters, grass shrimp larvae, opossum shrimp, and killifish embryos, developmental anomalies in fish embryos, impairment of osmoregulation in shrimp, and hypoglycemia in crabs, at concentrations similar to or slightly lower than those that were acutely toxic.

b. Composition and Fate of Drilling Fluids and Cuttings Proposed for Use in Union's Project. According to the Hooks, McCloskey and Associates environmental report (May 10, 1982) for this project, Union will use plain seawater to drill the 36-inch hole for the 30-inch drive/structural casing. This water will be returned to the ocean floor. The mud used beyond the 30-inch casing shore is a low-solids mud which is similar in quality to the drilling characteristics of water. It will be a freshwater gel consisting of fresh water and the following components: bentonite; Benex; Cypan or Drispac; calcium hydroxide; sodium carbonate, and sodium bicarbonate; barite; lignite; and special purpose additives, including MICA, ground nut hulls, vegetable oils, and defoamers, such as aluminum stearate. Neither biocides nor chrome lignosulfonate will be used. Total discharges from the two wells proposed by Union includes 17,950 cubic feet of cuttings and 423,500 gallons of drilling fluids.

Union argues that that impact of the proposed activities on water quality will be minor and short term, and that toxic substances, such as heavy metals, will generally be present in very low concentrations. Furthermore, Union argues, since the proposed activities will take place at a depth of approximately 800 feet, the muds and cuttings will be dispersed within the water column and very little concentrated settling on the ocean floor will occur.



However, although the Commission believes that these arguments have merit, it has found above that Sections 30230 and 30231 require that the marine resources in the project area be afforded special protection as a biologically sensitive area. As a result, the Commission cannot find, absent additional information to the contrary, that the discharge of the drilling fluids and cuttings will promote optimum populations of marine organisms (that is, the maintenance of natural species diversity, abundance and composition). Therefore, as proposed, the Commission finds Union's project to be inconsistent with the above sections. However, Section J addresses mitigation of the adverse impacts of discharge of drill muds and cuttings and finds Union's project meets the test of 30260 with respect to effects of drill muds and cuttings.

4. Environmentally Sensitive Habitats and Biological Productivity: Sections 30107, 30231, 30240(a)

Environmentally Sensitive Habitat Areas. Section 30107 defines an environmentally sensitive area as "any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem, and could easily be disturbed or degraded by human activities and developments."

Union's consistency certification states that "there are no known environmentally sensitive areas on or immediately adjacent to the lease". The Commission disagrees. The well sites are in fact located 1.2 miles within the boundaries of the Channel Islands National Marine Sanctuary, and within 4.8 nautical miles of Anacapa Island, which is a part of the Channel Islands National Park. As was established in the Background and Documentation sections, this project is located in an environmentally sensitive habitat. The State waters surrounding the Islands are designated as an Ecological Preserve and Area of Special Biological Significance.

If development is located in an environmentally sensitive habitat, the requirements of Section 30240 apply:

(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 key first requirement is whether oil exploration and possible later development is a "significant" disruption of habitat value. Oil development's associated risks would seriously disrupt, if not destroy, the wildlife resources required to be protected under Section 30240(a). Due to the extreme sensitivity of the marine resources, the risk of a spill, (discussed in Section E) and the helicopter and vessel traffic associated with the project, the Commission finds that the project poses "significant" disruption to resources.

The second requirement of Section 30240(a) allows only resource dependent uses in environmentally sensitive areas. "Resources" refers to environmentally sensitive habitat areas, that is, living plant and animal resources, not petroleum. As stated above, rare species, such as the endangered Brown Pelican, is disturbed by human activities and developments, as the past 10 year fluctuation in its breeding rate has demonstrated. Uses dependent on these resources would include, for example, fishing, if such activity can be properly regulated so as not to interfere with the wildlife. The Commission finds that this project does not propose a resource dependent use.

Even if the project meets 30240(a), it would not satisfy the requirements of 30240(b). The project is clearly adjacent to an environmentally sensitive habitat area: it is within the National Marine Sanctuary, and within 1.8 miles of the State waters, designated as an Area of Special Biological Significance and an Ecological Preserve. As discussed above, the Commission has found the waters within 6 miles of the Channel Islands to be a unique biological area, even before designation of the Marine Sanctuary.

The Commission finds that there is no feasible way in which Union could site or design its project to avoid impacts on the environmentally sensitive habitat areas. Although Union is trying to protect the area by drilling in the time of year of least vulnerability to the Brown Pelican, has proposed an Oil Spill Contingency Plan, and would barge its drill muds to the mainland for disposal, the Commission finds the project still would not be compatible with the continuance of the habitats and could, in fact, degrade these sensitive areas. Therefore, the Commission finds that the project does not satisfy the two requirements of Section 30240 of the Coastal Act.

##### 5. Biological Productivity

The Coastal Act requires protection of biological productivity in the following mandatory policy:

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. (emphasis added)

Union concludes that the entire channel contains an abundance of important marine resources and that the impacts of routine drilling operations are slight, temporary, and localized. This observation fails to recognize that the Coastal Act requires special protection of the areas of special biological significance. For the reasons previously enumerated, the Commission finds that this section is not met by this proposal.

#### D. Commercial Fishing

Sections 30230 and 30231 also require management of coastal waters to assure biological productivity and maintenance of optimum populations of marine life, including fisheries. The Commission also finds that commercial fishing is an important element of the coastal economy which must be protected under Section 30234 of the Act. In addition to money earned directly by the fishermen, the industry is considered a "primary industry," which generates many additional secondary jobs for seafood processors, brokers, dock workers, truck drivers, and boat yard crews. Revenues for the rent and the purchase of housing, food, and equipment are also generated by commercial fishing.

Commercial fishing is also a coastal-dependent industry and is therefore further protected as a priority use in the coastal zone in Section 30255 of the Act and in the CCMP. These enforceable policies provide development standards to assure priority of commercial fishing and can be implemented only with continued biological productivity, of the fisheries resources.

Offshore oil and gas exploratory activities can have economic and biological effects on the commercial fishing industry. Economic losses to the fishing industry can occur by (1) tainting marine organisms by direct coating or ingestion of hydrocarbons; (2) reducing the total available catch; (3) contaminating fishing gear and vessels, requiring either cleaning or replacement of the gear and cleaning of the vessels; and (4) preventing fishermen from leaving port due to placement of oil containment booms. Additional discussion of impacts from oil spills is provided in Section E.

Biological impacts can result from oil spills, a remote but continual threat of offshore oil operations and from discharge of drill muds. Commercial fishermen and the Commission have expressed concern about the short-term and long-term effects of drill muds on commercially recoverable fish in previous considerations of development and exploration plans. The Commission continues to be concerned because of the uncertainty of the impacts, as expressed by the scientific community. The previous section in this report provides further analysis of the fates and effects of drill muds on marine biota.

Lease P-0203 is within a trawling and purse-seining commercial fishing area and is within Fish Blocks 683-684. Spot prawns and anchovies are the primary targets of the trawling and purse-seining. Most of the fishing activities occur within three to six miles offshore the north side of Anacapa Island. ~~The Department of Fish and Game has recommended objection to this project.~~

During preparation of the staff report, Union, in cooperation with the U.C. Marine Advisor's office in Santa Barbara, sent locational information to numerous commercial fishing representatives to advise them of the proposed activities. Two trawlers have responded to notices sent out by the Marine Advisor. They stated that although Union is drilling in an English sole trawling area, an insignificant impact on the sole fishery will occur if Union drills in the winter, as it proposes to do.

Because exploratory activity on OCS P-0203 will not conflict with commercial fishing activities, the Commission finds the project consistent with those portions of Coastal Act policies protecting commercial fishing operations.

E. Protection Against the Spillage of Crude Oil.

1. Introduction

Regardless of the precautions taken against well blowouts and other accidents resulting in spills of crude oil in the open ocean, there is always a risk of oil spills occurring at a drill site. Such a spill may reach the coast of California and the offshore islands and damage marine life, scenic areas, and recreational areas. 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.

Union has provided onsite equipment and personnel training, and works with oil spill cooperatives, which have dedicated oil spill response vessels (See Attachment A). The Clean Seas dedicated oil spill response vessel, Mr. Clean I, can arrive at the site within 5 to 6 hours.

2. Chemical Dispersing Agents

Because of the location of this well in a recognized area of biological significance for Brown Pelican breeding, Union is attempting to take additional measures to protect the species from the adverse impacts of oil spills if they occur. Union has requested the Regional Response Team (federal agencies and the State of California that approve response procedures during oil spills) to develop measures to expedite the approval process for the use of chemical dispersants to combat oil spills, particularly spills from operations such as this one located in environmentally sensitive habitats. In coordination with this effort, Union has revised its ~~currently-revising~~ oil spill contingency plan to include special dispense use measures, as requested by the Regional Response Team. Commander L.A. Onstad of the 11th U.S. Coast Guard District testified at the November 15, 1983 hearing that the material submitted by Union meets the concerns of the Regional Response Team. The Commission concurs with the Coast Guard's analysis and therefore finds the plan complete. six-new-sections-designed-to-help-improve-their-response.--The-sections will-cover-the-following-topics:

-----A.-----Expected-Oil-Composition/Dispersant-Characteristics;

-----B.-----Oil-Spill-Analysis;

-----C.-----Resource-Information;

-----D.-----Dispersant-Response-Strategies;

-----E.-----Conclusions;

-----F.-----Reference-Materials.

~~Union has yet to complete this work and therefore has not submitted a complete version of its revised oil spill contingency plan to the Commission for review.~~

~~Oil spills pose the greatest threat to the Brown Pelican population on Anacapa Island and all potential response procedures for their protection must be presented to the Commission for adequate review of the proposal. Since these essential elements of Union's spill response planning have not been presented, the Commission does not have sufficient information to determine the consistency of this proposal with California's Coastal Management Program's requirement for "effective cleanup facilities."~~

Union has completed ~~is currently conducting~~ laboratory tests to determine the potential effectiveness of dispersants on the oil expected to be found during exploratory drilling. This oil is heavy (API gravity 14.5°) and dispersants probably would not be as effective on it as they would on lighter oils. The data from the tests has been used to will help determine the most effective ratios of dispersant to oil for use in dispersing this type of oil. In addition to the effectiveness testing program, Union has indicated to the is-working-with-the Commission and the Department of Fish and Game that if this project were approved, it would to develop a toxicity testing procedure to help determine the hazards of dispersant use. If dispersant application procedures are developed and the approval process is expedited, Union may improve its ability to combat oil spills in situations where the use of these chemicals are warranted. However, these measures must be viewed as additional tools to reduce the impacts of oil spills on sensitive areas, not to eliminate the impacts. There has never been a documented case of dispersants eliminating the impacts of large oil spills.

The effectiveness and potential toxicity of dispersants remain a source of debate. However, if a large oil spill occurs in this location and the spill is headed toward shore, it is unlikely that the local oil spill cooperative will be able to apply more than one application of dispersants during daylight hours, before the oil would contact the island. The Clean Seas oil spill cooperative has acknowledged, in written comments to the Commission, that one pass over an oil spill will disperse only 10 to 30 percent of the oil remaining after evaporation. Mechanical cleanup methods such as booms and skimmers also have limited effectiveness, and should be viewed as devices to reduce, but not eliminate impacts. Thus, the combined efforts of mechanical and chemical cleanup techniques will not eliminate the impacts to the Brown Pelican population, if that population is threatened by a large oil spill.

Even though if Union has developed develops dispersant techniques and provided a complete submits a completed oil spill plan to this Commission, the Commission nevertheless finds that no it-remains-doubtful-whether-any mitigation can be considered adequate to protect the environmentally sensitive resources at this location.

### 3. Oil Spill Risk and Trajectories

Union states that the chances for an oil spill are very small, due to the excellent safety record of the industry in drilling exploratory wells. However, at the hearing, both Union and the U.S. Coast Guard acknowledged to the Commission that the possibility there-is-always-the-chance of an oil spill always exists, occurring, and this risk must be weighed against the value of the resources that could be damaged. The largest oil spill in history was from the Ixtoc exploratory well, located in the Bahia de Campeche, Mexico, which demonstrates that oil well blowouts from exploratory operations are possible. (A summary of exploratory drilling risks is included in Appendix A.) A risk of a spill in this location is increased because the well site is proposed to be located in the buffer zone of the Santa Barbara Channel Vessel Traffic Separation Scheme.

Thus, the combination of a well site located in an environmentally sensitive habitat and in a buffer zone of the VTSS substantially increases both the damage and risk of an oil spill. Union has submitted oil spill trajectory data which is included in the upcoming revisions to their Oil Spill Contingency Plan. This information is not based on site specific weather data because no long-term data is available for the site itself. Therefore, the oil spill trajectory analysis must make some assumptions regarding the weather conditions at this specific site as well as assumptions regarding the seasonal currents, and other weather factors. Even if site specific data is developed, the following excerpt from a paper of the Minerals Management Service entitled "Physical Oceanography and Meteorology of the California Outer Continental Shelf", emphasizes the problems with attempting to predict oil movement in the nearshore environment. It states:

Nearshore currents are extremely variable and complex. They may be driven by any of the forces which cause deep ocean currents. Winds, tides, density variations within the water column and the earth's rotation are certainly important. The nearby oceanic currents are also an important influence on the shelf. There are additional factors which further complicate nearshore circulation.

The data presented by Union indicates that the probability of shoreline impact is small during the months from November through January. However, a spill which does not contact the island but reaches the surrounding waters can have devastating impacts on the Brown Pelican population which uses the waters as a feeding area.

#### 4. Conclusion

Based on the above discussion, the Commission finds that Union has not provided effective measures as required in Section 30232. Current state-of-the-art oil spill containment and cleanup does not provide the level of effective protection required by this policy. Because this POE proposes a coastal-dependent industrial facility, it nonetheless requires a second look under Section 30260 of the Coastal Management Program, which allows special consideration for such facilities. Section 30260 analysis finds the project inconsistent because of the inability of current technology to adequately protect unique coastal resources.  
~~Union's failure to submit a final Oil Spill Contingency Plan.~~ (See Section J)

#### F. Vessel Traffic Safety

Union's proposed exploratory wells are located within the southern buffer zone of the northbound traffic lane (Exhibit 2). Section 30262 of the Coastal Act will not allow platforms to 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 Coast Guard has in the past argued that Section 30262 by its terms cannot apply to exploratory drilling due to its express reference to "platforms". The Commission disagrees and has applied the section to exploratory drilling for the following reasons. First, the cumulative effects of numerous exploratory activities create substantial increased hazards to vessel traffic and such effects must be dealt with even more carefully than individual stationary platforms under numerous statutory requirements (Section 30250, CEQA, and NEPA). Furthermore, Section 30260 requires the Commission to adopt "maximum feasible mitigation" for any oil and gas development, including exploratory drilling. Thus, in implementing Section 30260, the Commission can look to the specific legislative guidance of Section 30262 on vessel traffic safety.

The Commission has carefully examined the issue of vessel traffic safety in numerous past actions. In January 1982, the Commission approved Chevron's POE for the nearby lease to explore the Sockeye Field from the buffer zone of the VTSS (CC-9-81). However, it expressly determined that existing data did not justify placement of temporary structures in the buffer zone. The Commission required extensive mitigation measures, and based its concurrence on Chevron's willingness to implement them. The Commission also indicated that its concurrence was due in large part to its desire to obtain additional information from the implemented mitigation measures. Union now proposes to undertake the same measures. Because of the location of Union's project, as discussed below, the mitigation measures are inadequate.

Chevron's Sockeye project was located four miles northwest of the "dog leg", or bend in the VTSS. Union's project is located less than half a mile northwest of the same dog leg. In concurring with Chevron's project, the Commission found:

A minimum of three miles from the dog leg is necessary as a margin of safety to allow vessels to make late turns in the bend and still return to the sealane before reaching the drillship.

This determination was based in part on expert testimony that the greatest navigational risk is located at the dog leg.

Chevron has drilled its well on OCS P-0205, and while drilling, worked with the California Maritime Academy (CMA) to develop data on vessel hazard and mariners' responses to the presence of a drilling vessel in the buffer zone of the VTSS. Chevron agreed to track by radar every vessel in the northbound lane passing the drill ship while it was on location in the buffer zone, to determine the maneuvers necessary to clear the rig by a safe distance. A questionnaire was distributed to all captains leaving the southern California ports to travel north through the Channel. Preliminary discussions have occurred between the Commission staff and the CMA regarding the results of and responses to the study. CMA has not yet completed its analysis.

In examining the raw data, the Commission has determined that over 38 percent of the vessels that passed by the drilling rig (306 out of 793) were veered out of the traffic lane in the Separation Zone between the lanes when passing the rig on the opposite side of the lane. The IMCO resolution "General Provisions of Ship's Routing" (1977) recommends that course alterations in a VTSS should be as few as possible. The resolution suggests that the normal flow of traffic, once determined, should proceed along as straight a path as possible. The International Steering and Sailing Rules; Rule 10, Traffic Separation Schemes, which are the international "rules of the road", state:

A vessel other than a crossing vessel or a vessel joining or leaving a lane shall not normally enter a separation zone or cross a separation line except:

- (i) in cases of emergency to avoid immediate danger;
- (ii) to engage in fishing within a separation zone.

Because the 306 vessel captains ~~who left the lane to put a greater distance between their vessels and the rig~~ were not fishing, it could ~~must~~ be assumed that they considered the rig an immediate danger. The 11th U.S. Coast Guard District states

that at least 93% of ships using the Santa Barbara Channel use the vessel traffic lanes. Eighty-two mariners out of the 793 who passed in the northbound lane responded to Chevron's survey. Sixty-eight percent of the mariners responding said a hazard existed where visibility was reduced and 63 percent disagreed with the contention that the rig served as an aid to navigation. Thirty-five percent (29) said they had to pass closer to the drilling vessel than they considered safe. Out of these 29, 19 said the drill rig presented a hazard in clear weather, while 23 said a hazard existed only where visibility was reduced.

In addition to its location close to the dog leg, Union's proposed project would be near the area where ships entering and leaving Port Hueneme would cross and enter the VTSS. Unlike Chevron's location in the northern buffer of the northbound lane, Union's rig would be located in the southern buffer of the northbound lane. This location would require crew and supply boats to cross the northbound lane to service the rig, which adds to the navigational hazard presented by the project.

Testimony by Commander L.A. Onstad of the 11th U.S. Coast Guard District stated that the Coast Guard has approved Union's proposed location in the buffer zone. The Coast Guard position on oil activities in the buffer, he said, was that temporary drilling (that is, exploration) should be precluded where other feasible drilling locations exist; furthermore, the view of the International Maritime Organization is that occasional positioning of exploratory structures in the traffic lane itself may be necessary.

The Coast Guard representative stated that the routing system in the Santa Barbara Channel was being rotated clockwise to accommodate not only the Sockeye Field, but also, secondarily, "this field of Union." However, in the June 24, 1982 issue of the Federal Register, in the official 11th Coast Guard District Port Access Route Study "Notice of Study Results," the Coast Guard recommended that the TSS be modified to accommodate proposed development of a known oil and gas field (Sockeye Field). No mention was made of moving the lanes for any reason for other than Sockeye production.

The Commission has given serious consideration to the comments of the Coast Guard. However, the Commission, after consulting with the Coast Guard as required by Section 30262, must reach its own decision. At present, existing data does not justify placement of temporary structures in the buffer. The Commission has allowed Chevron's drilling to proceed to provide additional data that may result in a revision of that policy. As stated above, the CMA has not yet completed its analysis of the study results.

The risk of drilling in the buffer zone is particularly great in this proposal, where Union would drill in the southern buffer of the northbound lane, necessitating support vessels to cross the lanes to service the rig. Although the representative from the Minerals Management Service testified that Mobil drilled its well in the buffer zone on this lease "with no problems," Union's proposed location in the southern buffer results in cross traffic, increasing the risk. Furthermore, Union's location in an area of special biological significance and an environmentally sensitive habitat make the risks unacceptable in this case.

Regarding the proposed moving of the lanes to accommodate Chevron's Sockeye field, the Commission finds that it cannot deviate from its policy prohibiting exploration in the buffer zone, particularly when the drilling would also occur in the Marine Sanctuary; the risks of drilling in this location are simply too high. Since 500



meters is an internationally accepted distance for a safety zone, the Commission finds this distance is mandatory when unique resources are at stake.

Therefore, due to the proposed project's location in relation to the Vessel Traffic Separation Scheme and new additional information from Chevron's study, the Commission finds that the project creates an unacceptably high risk to vessel safety, is inconsistent with Section 30262 and cannot be mitigated under Section 30260 of the Coastal Act.

#### G. Air Quality

As a part of its approved CCMP, the Commission must determine if the project affects the air quality of the coastal zone. The Commission relies heavily on the technical expertise of the California Air Resources Board (ARB) in making this determination, as it is required to do so in numerous sections of the Coastal Act. Since 1981, ARB has participated extensively in the review of POEs and has submitted numerous reports documenting the coastal zone effects of offshore drilling. As to this particular project, ARB submitted an analysis dated June 1982. In reliance on the ARB analysis, the Commission finds that offshore exploratory drilling affects the coastal zone.

After a coastal zone effect has been demonstrated, the Commission examines the project for consistency with Section 30253(3), which requires new development to be consistent with ARB standards. ARB has determined as follows:

In our view, the applicant has not met the burden of showing that these projects are consistent with the Coastal Zone Management program and disapproval of these applications is warranted. However, ARB would not oppose the granting of consistency provided that Union agrees to:

1. Implement injection timing retard on the Diamond M General identified by the task force's NOx emission study. The American Bureau of Shipping has approved a 4° retardation on General Motors EMD engines, which are used on the Diamond M General.
2. Record and make available to ARB fuel usage and electromotive demand for each operating phase during well drilling activities. (This information is needed to verify the emissions estimates of the Radian study.)
3. Record wind speed, wind direction and temperature during the time period when the Diamond M General is operating in the OCS.

~~The ARB, in not opposing a consistency permit at this time, does not concede that the project applicant has met the burden of mitigating potential adverse air quality impacts resulting from this project, and this agency expressly reserves any and all legal rights and remedies which it otherwise has in this matter.~~

Union has participated in the industry-government task force, developing mitigation measures to address spillover coastal zone impacts of offshore development and has agreed to implement the measures described above. Therefore, the Commission finds the project satisfies Section 30253(3) of the Coastal Act, and the requirements of Section 307(f) of the CZMA.

## H. Public Access, Recreation, and Visual Resources

Background. Maximum public access and recreational opportunities consistent with the need to protect natural resources from overuse must be provided under the requirements of Section 30210 of the Coastal Act. Additionally, water-oriented recreation is a recognized priority use of the coastal zone in Sections 30220 and 30221. Visual qualities of coastal areas shall also be considered and protected as a resource of public importance. (Section 30251) National recognition of such policies can be found in the CZMA, the establishment of the Channel Islands National Monument in 1938, and park expansion in 1980. The National Park Service has expressed its concern over this project. (Attachment E)

The proposed project is closest to Anacapa Island, first protected nationally in 1938. Anacapa consists of three small islets connected by narrow reefs. Totalling about 700 acres, the islets are collectively about three miles long, with perpendicular cliffs rising 250 feet above the sea. Recreational uses predominate on East Anacapa and at Frenchy's Cove, while West Anacapa is set aside as a natural area for brown pelicans, discussed in the Marine Resources section. Middle Anacapa is available for visitor use, but there are no facilities or trails. According to the 1980 General Management Plan for the Channel Islands National Park, only Anacapa is easily accessible to the public by scheduled commercial boat service from Ventura. East Anacapa is also accessible from Oxnard and Port Hueneme for day use trips by private boats. The Park Plan proposes a careful balance of public access and recreation with protection of natural habitat. Some reduction of public access to Anacapa will be necessary in the future.

Drillships located on Lease P- 0203 will be visible to boaters seeking access to any portion of Anacapa from Ventura, Oxnard, or Port Hueneme. However, because exploratory drilling is a temporary project lasting a maximum of 2½ months, the Commission finds that the project will not have any long-term adverse impact on recreational and public access uses.

## I. Cumulative Impacts

Section 30250(a) of the Coastal Act requires the Commission to evaluate the cumulative, as well as individual, impacts of a project:

- (a) New ... industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources...

Union's project raises serious concerns over cumulative effects on the marine and coastal resources living near Anacapa Island. Viewed alone, the exploratory drilling would affect the Brown Pelican population (Section C), vessel traffic safety (Section F), and air quality (Section G). Although the project is expected to last no longer than 75 days, risk to the pelican population remains significant and is intensified by the interference with vessel traffic.

Viewed with other projects in the area, Union would drill in a part of the eastern Channel near Anacapa which has undergone rapid development in the past few years. Union's drilling would follow close on the heels of Chevron's 5-month exploration on

OCS P-0205. Chevron completed delineation of its Sockeye Field and intends to produce from a platform on O205. Union is producing from its Hueneme Field on OCS P-0202 (Platform Gina) and from Platform Gilda on OCS P-0216. Chevron is producing on OCS P-0217 from Platform Grace.

Marine species, air and water quality, spill risk, vessel traffic safety and commercial fishing operations are all adversely affected by the proliferation of oil activities in this area. Union has committed to producing outside of the Sanctuary if it finds sufficient amounts of oil and gas on O203, however, both the proposed exploration, and possible production immediately adjacent to the Sanctuary boundary would further stress the adaptability of the species whose livelihoods depend on the islands and surrounding waters.

The Commission finds the total risks to the resources from additional drilling within the Sanctuary, nationally recognized for its biologic value, to be unacceptable. Therefore, the Commission finds Union's project inconsistent with Section 3025Q(a) of the Coastal Act. Analysis under Section 30260 finds the project inconsistent with the policies of that section.

#### J. Coastal Dependent Industrial Development.

Coastal dependent industrial development is first considered under all other applicable policies of Chapter 3. If coastal dependent industrial development can meet the other applicable policies of Chapter 3, then the less strict standards of Section 30260 do not apply. If coastal dependent industrial development cannot meet the other policies of Chapter 3, then it may nevertheless be approved if it is consistent with all three specific requirements of Section 30260. As indicated in the earlier findings, this project fails to meet the requirements of Sections 30230, 30231, 30232, 30240, 30250 and 30262, of the Coastal Act. Section 30260 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 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.

##### 1. Alternative Locations

The first requirement of Section 30260 allows coastal dependent industrial facilities if alternative locations are either infeasible or more environmentally damaging. Alternative locations to drill the two wells require slant drilling at an angle considered unsafe, or at a location within the sea lane presenting an even greater potential risk of collisions between drillship and other vessels. Drilling any farther from the oil field being delineated would not yield the data Union needs to determine whether sufficient oil and gas reserves exist to justify installation of a platform. For these reasons, the Commission finds that alternative locations are infeasible and less desirable.

## 2. Public Welfare

The second requirement concerns the public welfare. Clearly, it is in the interest of the public welfare to search for domestic sources of oil and gas. Union has not given an estimate of the amount of oil and gas it believes the field contains. While the Commission recognizes that the development of oil and gas resources is an extremely important element of the public welfare and promotes the national interest in energy self-sufficiency, it also recognizes that every development cannot be approved merely because it involves the extraction of oil. In special cases, public welfare considerations that promote environmental protection will outweigh the national interest in oil development. The Department of Treasury commented on the impacts of particular oil and gas projects on the national interest with regard to Exxon's development of the Santa Ynez Unit. The Santa Ynez Unit, unlike this project, involves a major oil field with the potential of developing 300-400 million barrels of oil and 600-700 billion standard cubic feet of gas. It is the largest project ever proposed for the OCS. Even so, the Department of Treasury stated that:

Unfortunately, our analytic tools are too blunt to discern the national security contribution of an individual project of this size. Rough calculations show the hydrocarbon production and various revenue streams generated by that production to be relatively small and inconsequential from a national income account basis. As long as the problem is limited to one specific project, proving national security dependence is unlikely.

Therefore, if the national security impacts are difficult to discern from such a large project, they are even more difficult to quantify the benefits of Union's much smaller project. Although the Commission in no way discounts these benefits to national security and national interest, it finds in this case that they are outweighed by the sensitive resources and substantial risks to vessel safety.

This, however, is not the only consideration in determining whether the project meets the public welfare test. Protection of coastal resources, recreational opportunities and navigational safety must also be considered aspects of the public welfare. ~~The Commission considers the national interest when it reviews federal licenses and permits in the following manner:~~ The Commission's approved CCMP includes not only the Coastal Act but also a separate chapter (Chapter 11) that describes the process for consideration of the national interest. In summary, it determines that the California coast is a resource of national significance comprising more than half the western coastline of the contiguous 48 states. Nine out of ten of the objectives listed in Section 302 of the CZMA recognize the critical need to protect coastal zone environmental resources. Exhibit 6, particularly language from Section 303 of the Coastal Zone Management Act, demonstrates the strong national interest in protecting "wildlife and their habitat" (Section 303(2)(A). Section 302 of the CZMA states that "there is a national interest in the effective management, beneficial use, protection and development of the coastal zone." Section 303 further sets forth the "national policy (a) to preserve, protect, develop and where feasible to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations..." ~~The Commission has carefully weighed these competing factors in its decision.~~

The Commission recognizes that trade-offs must be made with respect to the allocation of land and water resources and carefully balances such trade-offs when it considers whether an oil and gas project meets the "public welfare" test of

~~Thus, the Commission decision~~ Under section 30260 of the Coastal Act the Commission must balance the national interest in resource protection with energy development. The Commission believes its record of concurrence on 69 Plans of Exploration, partial objection to 5 POEs, and full objection to only 3 POEs, since obtaining consistency authority in 1978 demonstrates that the Commission has adequately considered the national interest to promote oil development.

Other federal statutes relevant to this project also demonstrate a strong national interest and public welfare policy to protect unique living marine resources:

(1) Marine Protection, Research and Sanctuaries Act of 1972 established the Marine Sanctuary and designates "ocean areas having distinctive conservation, recreational, ecological, or aesthetic values as marine sanctuaries." The Presidential designation of the Santa Barbara Channel Islands Marine Sanctuary shows federal interest in preserving these waters' distinctive qualities.

(2) Endangered Species Act prohibits "taking" of listed species of marine mammals, birds and fish in both state and federal waters. "Taking" includes harrassing or harming. Federal regulations interpret "harm" to include significant environmental modification or degradation and acts which annoy listed species to such an extent as to significantly disrupt essential behavior patterns. Noise from industrial development, risk of oil spills, and additional human intrusion are inevitable with oil development. Union's proposal could disturb Brown Pelican breeding and nesting behavior, clearly a significant impact given the bird's endangered status (see Section C), frustrating the intent of this legislation.

(3) National Parks and Recreational Act of 1978. 1980 amendments established the Channel Islands National Park. Attachment E is a letter from the National Parks Service regarding Union's proposal.

(4) Ports and Waterways Safety Act underline the Congressional intent to enhance navigation and vessel safety in the nation. The Act also protects resources in the marine environment, as provided in the Statement of Policy at the beginning of the statute: "Navigation and vessel safety and protection of the marine environment are matters of national importance." Marine environment is defined to include recreational, economic and scenic values of navigable waters. The Act authorizes establishment of vessel traffic systems to achieve its goals. The Santa Barbara Channel VTSS furthers this objective of vessel safety and protection of the marine environment, a national objective that would be thwarted by Union's project location in the buffer zone of the VTSS.

As discussed in detail in Sections B and C, the proposed project is located within a federal and state designated sensitive habitat area. Less than six nautical miles away on Anacapa Island is a breeding colony of endangered Brown Pelicans and numerous other unique resources. The National Park Service plans to reduce public access to Anacapa to provide a more hospitable natural environment to the pelican and other species showing a federal management policy to protect these living marine resources from disturbance. Noise from industrial development, risk of oil spills, and additional human intrusion are inevitable with oil development.

As discussed in Section F, navigational safety is significantly adversely affected when drilling is located within the buffer zone of the Vessel Traffic Scheme. The Commission's policy to discourage drilling within the VTSS buffer zone unless extraordinary circumstances exist is based in part on the public welfare to be served by navigational safety. If navigational safety alone were at issue, the Commission could consider an approval based on overriding public welfare considerations. It made such a decision in Chevron's Plan of Exploration for Lease

0205, although, as mentioned above, Chevron's well site was in the northern buffer zone of the sea lane, which did not require supply boats to cross the sea lane to service the rig.

However, additional factors tip the balance the other way for Union's project. Turning to the oil spill analysis of Section E, the Commission found that oil spills headed toward Anacapa Island cannot be stopped with today's technology. Although the oil trajectories for this location indicate a fairly low percentage chance of impact to the island ~~the-contamination~~ if it does occur, it will be from fresh oil which is the most toxic.

The Commission finds that Union's proposed mitigation measures, discussed below, do not provide adequate protection to the resources in the surrounding environment: the endangered Brown Pelican, the 80 species of resident and migrant seabirds, the pupping and breeding areas of seals and sea lions, and the numerous endemic populations of marine flora and fauna. Infact, no oil exploration activity on this site could be adequately mitigated. Therefore, the Commission finds that approval of this project will not promote the public welfare due to the need to protect the environmental sensitivity of the Channel Islands and its offshore waters, commercial fishing, navigational safety, and a sensitive area free from the risk of oil spills. This one project cannot outweigh the other major public interest factors. ~~The Commission's record of approvals in the Santa Barbara Channel in general and with pre-existing leases in the sanctuary in particular amply demonstrates its concern for the public welfare in energy self-sufficiency.~~

### 3. Mitigation

The third requirement of Section 30260 requires adverse impacts to be mitigated to the maximum extent feasible. The Commission first examines the mitigation proposed to protect the resources. Concerning oil spill cleanup and response, the Commission finds that Union's oil spill containment and cleanup equipment and procedures represent the maximum feasible mitigation consistent with Section 30260, because Union has submitted a final oil spill contingency plan. Since this plan is currently being revised pursuant to Coast Guard requirements, the Commission has inadequate information to make a determination. However, as the public welfare analysis above concludes, this mitigation does not adequately protect the public welfare and national interest in preserving unique living resources. Regardless of the measures taken, if a large oil spill occurs and is headed toward Anacapa Island, no technology can keep the oil from impacting the Brown Pelican population. If chemical dispersant application methods are improved and government approval procedures expedited perhaps impacts could be reduced. However, even this is unclear because of the many unknowns regarding the effectiveness and potential toxicity of chemical dispersing agents. While Union may be able to provide the maximum feasible protection of the pelican using state-of-the-art procedures and equipment, the Brown Pelican cannot be protected from the adverse impacts of a large spill. Development could not be confined to a particular season of reduced risk. (Section C).

Union has proposed mitigation for drill muds discharges. In a letter from J. S. Attebery, District Land Manager, Union Oil Company of California, to William Grant, Acting Regional Manager, Pacific OCS Region, Minerals Management Service (September 22, 1983), Union states as follows:

Union has a genuine desire to cooperate with concerned agencies and will rely on the judgment of the Coastal Commission at the hearing to settle the question of the means of muds and cuttings

disposal for this drilling location. Union proposes to do a study to determine the nature and extent of marine life in the water column in the vicinity of the surface location. The study should indicate if additional protection can be achieved through dilution and/or shunting of the muds and cuttings. Union will agree to implement whatever measures may be suggested by the study. However, if the Commission finds that land disposal is the best environmental approach for this location, we will agree to land disposal as a stipulation within the Commission's consistency concurrence. (pp. 2-3)

In an attempt to find a solution for the disposal of drilling fluids and cuttings, Union asked the Environmental Protection Agency whether it could move the drilling fluids and cuttings by barge to Union's Platform Gina (OCS P-0202) or to Platform Gina (OCS P-0216). However, EPA advised Union that this would not be permissible (Gene Bromley, personal communication).

Other alternatives include shunting, to direct the discharge, and land disposal. Shunting would probably not be practical since the Commission believes all muds should be carried away from the Marine Sanctuary, and the project site is some distance inside the sanctuary boundaries. Under these circumstances, land disposal would appear to be the alternative which would mitigate adverse environmental effects to the maximum extent feasible. Since Union has agreed to these stipulations in its September 22, 1983 letter, quoted above, the Commission finds that the disposal of the drilling fluids and cuttings is mitigated to the maximum extent feasible and therefore is consistent with Section 30260.

Turning to the proposed mitigation for navigational safety, Union proposes to carry out the mitigation that the Commission previously approved in Chevron's 0205 Lease. The Commission finds that such mitigation is the maximum feasible, meeting this test of 30260.

However, inspite of these measures and because the risks to the California Brown Pelican and the safety of vessel traffic cannot be reduced to a level the Commission finds acceptable in the interests of the public welfare, as discussed above, the Commission finds that the project fails to meet the 3-pronged test of Section 30260.

Substantive File Documents:

1. Union Amended Exploration Plan, Environmental Report, MMS Environmental Assessment for Exploratory Wells Nos. 5 and 6, OCS P-0203 and all comments therein, Oil Spill Contingency Plan and Addendum.
2. Prior Consistency Certifications and Complete File for Leases 0204, 0205, and 245.
3. Administrative Record of Establishment of Santa Barbara Channel Islands Marine Sanctuary, and Subsequent Comments on NOAA's 1981 Suspension of Implementing Regulations.
4. The California Islands: Symposium (1980)  
ed. by D.M. Power, Santa Barbara Museum of Natural History
5. General Management Plan for Channel Islands, 1980 National Park Service
6. Final Report, Santa Barbara Channel Risk Management Program, National Maritime Research Center and Complete Commission File on Vessel Traffic Safety, Position Statement adopted July 28, 1982.
7. September 22, 1983 letter from Union to William Grant at the Minerals Management Service.
8. Responses to questionnaires, Environmental Data Record, and Target Data Record, developed by the California Maritime Academy.
9. California Brown Pelican Recovery Plan, by Gress and Anderson, for the U.S. Fish and Wildlife Service approved draft/unpublished, February 1983.
10. Final Environmental Impact Statement on the Proposed Channel Islands Marine Sanctuary, U.S Department of Commerce, May 1980.



ATTACHMENT A

Onsite Equipment (First Line of Defense). Oil spill containment and cleanup equipment stored on an exploratory drilling vessel or on a production platform is primarily designed to provide a first line of defense for a major spill or to contain and clean up small spills that may occur. This equipment must be able to surround the largest areas possible within an acceptable period of time. If the equipment is too large and difficult to handle, then its purpose is defeated. The following list includes the equipment which the Commission has established as minimum requirements for Plan of Exploration consistency certifications in the past. The applicant has committed in its plan to include this equipment onboard the drilling vessel:

- 1) 1,500 feet of open ocean oil spill containment boom;
- 2) one oil skimming device capable of open ocean use;
- 3) bales of oil sorbent material capable of containing 15 barrels of oil;
- 4) a boat capable of deploying the oil spill boom on the site at all times or within fifteen minutes of the drilling vessel; and
- 5) oil storage capacity of 29 barrels, minimum, for recovered oil.

Oil Spill Cooperatives (Major spills, second line of defense). Removal of spilled oil in coastal or marine waters is undertaken by the party responsible for the spill, under the supervision and, if necessary, the direction of the U.S. Coast Guard. Because of this requirement, oil production companies operating in the Outer Continental Shelf belong to oil spill cooperatives which have oil spill cleanup equipment designed for open ocean use. The oil spill cooperative used for the Santa Barbara Channel and the Santa Maria Basin is Clean Seas.

Dedicated Oil Spill Response Vessels. Clean Seas currently has a 136-foot oil spill response vessel stationed in Santa Barbara harbor. The vessel, Mr. Clean, is outfitted with equipment which is designed for response to oil spills in the open ocean. Clean Seas is continuing to investigate state-of-the-art equipment additions to the vessel, and the Commission staff is currently working on potential improvements through the Oil Spill Response Capability study. This vessel will provide the initial response from Clean Seas to oil spills in the Santa Barbara Channel from Point Conception to Point Dume, and beyond the Channel Islands.

Clean Seas has recently acquired a second oil spill response vessel which will be fully equipped with oil spill containment and recovery equipment. This vessel, Mr. Clean II, is located in Port San Luis to provide the initial response to oil spills north of Point Conception.

Personnel Training. An adequate oil spill response training program must recognize the different roles necessary to provide an acceptable response to an oil spill. In general, the program can be broken down to two categories: 1) training for supervisory personnel; and 2) training for workers charged with actually putting equipment into the water. This training can be done by an individual oil company, or through the local oil spill cooperative depending on the level of the training.

Supervisory Training. The Clean Seas oil spill cooperative conducted a two-day training program for supervisory or management personnel operating in the Santa Maria Basin. Chevron sent their oil spill "Containment and Cleanup Coordinator, Offshore Containment and Cleanup Coordinator, Onshore Containment and Cleanup Coordinator, and other individuals with management or supervisory functions to the training session. The session focused on the supervisor's role in directing workers to use equipment properly, interface with the Clean Seas organization, and making the supervisors aware of proper coastal resource protection goals.

Equipment Use Training for Workers. Workers responsible for actual use of the oil spill equipment must receive "hands on" training to use the equipment properly. Chevron has inhouse training procedures that include full deployment of all offshore oil spill containment and cleanup equipment. The Clean Seas oil spill cooperative puts on training sessions that cover use of specific types of equipment. Member oil companies shall send personnel to these sessions.

### Exploratory Drilling for Oil and Gas

Mobile exploratory drilling rigs have been operating offshore approximately 23 years. Accidents associated with these rigs include, blowouts, collision and rammings, overturning when moving or preparing to move, and problems coping with storm activities onsite or during transit. The March 1977 issue of Ocean Industry stated that there were 70 reported accidents involving mobile rigs up to 1977, but most of these were associated with the movement of the rigs and not the spillage of oil. Since 1955 there have been 18 blowouts from mobile rigs. However, in recent years safety has increased while the number of rigs in operation has grown. This is the result of improvement of rig designs and new training in recent years. Of the spills that have occurred as a result of exploratory drilling, the USGS circular 741 published in 1975 states, "..., no spill in excess of 50 barrels has been recorded during exploratory drilling either on the Federal OCS or, to our knowledge, in any other offshore area throughout the world." Representatives of the U.S. Geological Survey indicate that the 18 blowouts previously mentioned from mobile rigs have been gas blowouts with no associated spillage of oil. However, on June 3, 1979, the Ixtoc exploratory well in the Bahia de Campeche, Mexico had a major oil blowout. According to the Oil Spill Intelligence Report (Boston), Ixtoc I was the largest oil spill ever recorded. The oil resources tapped by Ixtoc I are far larger than any oil field anticipated offshore California.

The history of exploratory drilling shows it to be relatively safe in light of the thousands of wells that have been drilled, however, the Ixtoc well blowout demonstrates what can happen if a spill does occur.

Union Oil and Gas Division: Western Region  
Union Oil Company of California  
Southern California District  
1835 Knoll Drive, P.O. Box 6176, Ventura, California 93006  
Telephone (805) 656-7600



J. S. Attebery  
District Land Manager

September 22, 1983

Mr. William Grant  
Acting Regional Manager  
Pacific OCS Region  
Minerals Management Service  
1340 West 6th Street  
Los Angeles, California 90017

Re: OFFSHORE CALIFORNIA  
Santa Barbara Channel  
OCS P-0203  
Plan of Exploration  
Consistency Certification

Dear Mr. Grant:

Union Oil Company of California hereby requests that you resubmit our Exploration Plan for Proposed Wells P-0203-5 and 6 to the California Coastal Commission for consistency review. The Exploration Plan is essentially the same as that previously approved by your office effective June 16, 1982. The only addition to the Exploration Plan is the completion of certain data accumulation contemplated by the Oil Spill Contingency Plan as part of the expedited dispersant approval mechanism. Drilling is still planned for the November-mid-January time frame.

Union has been engaged in discussions with the staff of the California Coastal Commission and with representatives of the National Oceanic and Atmospheric Administration, National Ocean Service, over the past nine months. These efforts were directed to resolution of some of the conflicts which resulted in the Commission's November 17, 1982 objection to Union's consistency certification for our approved Exploration Plan for OCS P-0203, and Union's subsequent appeal thereof. Representatives of the MMS and the U. S. Coast Guard participated in several of these meetings.

As the result of these discussions, Union has decided to ask that you resubmit the Exploration Plan and accompanying

ATTACHMENT B

documents to the California Coastal Commission for consistency certification concurrence. Please be advised that Union has made certain additional commitments to the Commission which we believe should enhance the prospect of Commission concurrence.

- 1) Union has agreed that it will only seek to develop the field proposed to be confirmed by this delineation drilling from a platform located outside the boundary of the Channel Islands National Marine Sanctuary.
- 2) Union has agreed to conduct a Vessel Traffic Safety Study similar to the one conducted earlier this year by the California Maritime Academy in conjunction with Chevron's drilling on OCS P-0205 in the starboard buffer zone of the northbound VTSS lane. The study is expected to cost \$75,000. Union believes that the study is justified due to the difference between the surface locations of the drilling on OCS P-0205 and OCS P-0203. Union's surface location is on the port side of the northbound VTSS lane, at a point where vessels should logically be involved in a turn which would move them away from Union's operation.
- 3) Union is also willing to equip the drillship with any additional safety features that may be recommended by the study conducted in conjunction with drilling on P-0205.
- 4) Union has advised Commission Staff that the drilling operation will be conducted in the shortest feasible time: We have estimated that OCS P-0203-5 will involve a total time of exposure to oil bearing formations of twenty-two days; this estimate is shortened to eighteen days for the redrill (OCS P-0203-6), assuming it is necessary.
- 5) Union has a genuine desire to cooperate with concerned agencies and will rely on the judgment of the Coastal Commission at the hearing to settle the question of the means of muds and cuttings disposal for this drilling location. Union proposes to do a study to determine the nature and extent of marine life in the water column in the vicinity of the surface location. The study should indicate if additional protection can be achieved through dilution

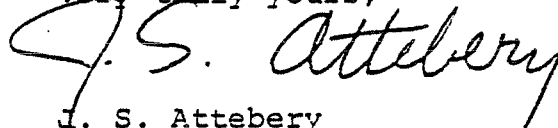
Mr. William Grant  
Minerals Management Service

Page 3  
September 22, 1983

and/or shunting of the muds and cuttings. Union will agree to implement whatever measures may be suggested by the study. However, if the Commission finds that land disposal is the best environmental approach for this location, we will agree to land disposal as a stipulation within the Commission's consistency concurrence.

Union has asked Commission staff to place this request for consistency certification concurrence on the Commission's agenda for the second meeting in October. Accordingly, we urge that the MMS resubmit this Exploration Plan to the Commission as soon as possible.

Very truly yours,



J. S. Attebery  
District Land Manager

JSA



UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
NATIONAL MARINE FISHERIES SERVICE  
Southwest Region  
300 South Ferry Street  
Terminal Island, California 90731

NOTED - CYPHER

June 4, 1982

F/SWR33:JJS  
1503-06



Mr. H. T. Cypher  
Deputy Manager  
U.S. Department of the Interior  
Mineral Management Service  
1340 W. Sixth Street, Room 160  
Los Angeles, CA 90017-1297

Dear Mr. Cypher:

We have reviewed the environmental document regarding proposed exploratory wells on OCS Lease Tract 0203 (Union Oil Company of California) in the Santa Barbara Channel.

We are very concerned with the proposed location of the wells, which will be approximately one mile within the existing boundary of the Santa Barbara Channel Islands Marine Sanctuary. To our knowledge this will be the first exploratory drilling activity to occur within the Sanctuary since the April 30, 1982, reinstatement of the ban on future OCS oil and gas actions in California's designated marine sanctuaries. While we recognize that activities on existing leased tracts are technically exempt from such a ban, we would still recommend that when exploring and developing an existing lease, to the extent possible, all work be conducted from outside sanctuary boundaries. This need to maintain the full sanctuary buffer zone is especially important in this instance since the Channel Island nearest the proposed site for exploratory drilling is East Anacapa Island, whose north shore has been designated not only part of a State Ecological Reserve, but a "Natural Area" of particular biological and geological significance (see enclosed map and regulations).

We also have some concern with the proximity of the proposed drilling sites to the designated vessel traffic lanes. Santa Barbara Channel is heavily travelled and there remains the threat of a vessel colliding with the drilling structure, possibly resulting in a spill situation.

If a decision is made, based upon these considerations, to relocate the proposed exploratory site, we recommend that drilling activities (including disposal of cuttings) be done in a manner which will not impact rocky "live bottom" habitats. We will defer providing recommendations regarding drilling muds pending the results of the impacts study currently proposed by the Central Coast Regional Water Quality Control Board.

ATTACHMENT C



To minimize physical conflicts of drilling with commercial fishing operations we recommend that local commercial fishing organizations be notified as soon as possible. As a minimum the organizations to be notified should include those listed in the May 26, 1982, Minerals Management Service draft "Application and Permit Issuance Procedures for Geophysical Survey Permits" under the boundary heading Point Conception to the Mexican Border.

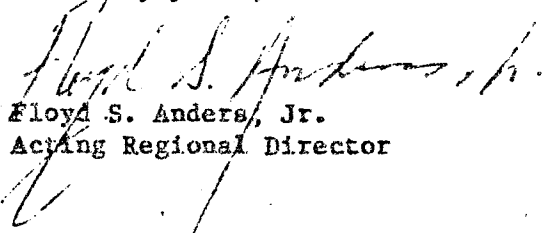
Commercial fishermen also have expressed concern as to the effects of exploratory operations on trawl grounds as a result of substrate alteration from dumped equipment, as well as abandonment procedures which can result in large cement chunks being left onsite. In some instances such debris has prevented further trawling in previously utilized areas. We, therefore, strongly recommend that upon completion of drilling all bottom obstructions be removed and the sites be restored, as nearly as feasible, to their original state.

We do have concerns for those whale species identified in our September 17, 1980, Biological Opinion which was issued pursuant to an Endangered Species Act, Section 7 consultation between our respective agencies. The Biological Opinion addressed U.S. Geological Survey supervised activities relating to exploration of tracts that were leased in Lease Sale Number 53.

The Biological Opinion contains the information necessary for the completion of your environmental analysis as well as our recommendations for reducing the impacts of mineral development off the California Coast. We note that the list of endangered or threatened species within the plan of exploration is complete. No critical habitat has been established for any of the subject species within the area of the proposed action.

Should you have any questions regarding our comments, please contact Mr. James J. Slawson, of my staff, telephone FTS 796-2518.

Sincerely yours,

  
Floyd S. Anders, Jr.  
Acting Regional Director

Encl

cc:

BLM, M. Warhurst  
CDF&G, D. Nitmos  
FWS, J. Wolfe



# United States Department of the Interior

FISH AND WILDLIFE SERVICE  
ECOLOGICAL SERVICES  
24000 Avila Road  
Laguna Niguel, CA 92677

NOTED-DUNAWAY

NOTED-WARRHURST



June 9, 1982

## Memorandum

To: Deputy Minerals Manager, Field Operations  
Minerals Management Service, Pacific OCS Region  
Los Angeles, CA

From: Field Supervisor (ES-LN), Laguna Niguel, CA

Subject: Union Oil Company, OCS-P-0203 (Nos. 5 and 6)  
Environmental Report for Exploratory Wells in  
Santa Barbara Channel, Ventura County, California

The Fish and Wildlife Service (FWS) provides the following 655 DM 1 review comments on the Exploration Plan (EP), and Environmental Report (ER) for pool delineation wells in OCS P-0203 located in the Santa Clara unit approximately eight miles southwest of Port Hueneme.

The location of these proposed exploratory wells is within the marine sanctuary around Anacapa Island of the Channel Islands National Park and at the southern boundary of the northbound shipping lanes. The proposed exploratory wells provide the potential for an oil spill in environmentally sensitive habitats. Previously FWS has expressed concern for endangered species and sensitive habitats near P-0203 exploratory wells due to their encroachment into the shipping lanes and the proximity of the wells to the then proposed Channel Islands Marine Sanctuary and National Park. These comments still have some validity.

Biological concerns associated with development of this OCS tract are due to the nearness of Federal and State endangered California brown pelican nesting and roosting habitats on Anacapa Island and the potential for oil spill trajectories directed by seasonal currents and storm surges which may carry a surface spill onto State of California designated Areas of Biological Significance at Mugu Lagoon and Point Mugu to Latigo Point. In addition, the site is near to trawl and gillnet fisheries located in the Ventura "flats" and is within the known migration routes for endangered marine mammals (gray and sei whales, pinnipeds, and cetaceans). All of these biological issues are discussed in the ER. However, the ER relies on oil spill trajectory analysis based on studies for Platform "Gina" which is located closer to the mainland. The "Gina" study may not be relevant for it is located in an area which has reduced tidal circulation

ATTACHMENT D



because of its more protected location in relation to the Channel Islands and mainland.

Although Congressional action authorized oil/gas activities to continue in already leased tracts, it did not permit expansion of these activities into the boundaries of the Marine Sanctuary. Technically, P-0203 is a lease granted to Union Oil Company prior to formal declaration of the Marine Sanctuary. Restrictions were placed on drilling activities, specifying the need for special oil containment equipment and supplies as specified in 45 CFR.

Due to the proposed timing of the work (late fall and winter storm season) and its close proximity to shipping lanes, environmentally sensitive habitats, endangered marine mammal migration corridors, and commercial trawling areas, additional environmental protections are needed.

If Union Oil Company is willing to provide additional environmental protection to the sensitive marine habitats, it is possible some action can be taken.

FWS suggests the following:

1) An auxiliary vessel (supply boat) with additional Clean Seas Inc. oil spill containment equipment shall be anchored in close proximity to the semi-submersible rig during exploratory drilling.

2) With any expansion of exploratory and/or production drilling, a monitoring program shall be fully implemented prior to, during, and after the period of time for oil and gas operations to provide additional information about OCS activities impacts.

3) A meeting should be arranged by the applicant and/or Minerals Management Service with concerned Federal, State, and local agencies and private individuals and groups to discuss environmental concerns if these exploratory wells are converted to production purposes.

If you have any questions on the above, please contact John Wolfe at FTS 796-4270.

*John C. Wolfe*  
for  
*Ralph C. Pisapia*  
FIELD SUPERVISOR



## United States Department of the Interior

NATIONAL PARK SERVICE  
CHANNEL ISLANDS NATIONAL PARK  
1901 SPINNAKER DRIVE  
VENTURA, CALIFORNIA 93001

IN REPLY REFER TO:  
L7619-CHIS

June 9, 1982

### Memorandum

To: Deputy Manager, Field Operation, Pacific OCS Region,  
Minerals Management Service, 1340 W. 6th Street,  
Los Angeles, California 90017-1297

From: Superintendent, Channel Islands National Park

Subject: 655 DM 1 Review, Exploration Plan - OCS-P 0203 Nos. 5 and 6

We note with interest and some concern the fact that Union Oil intends to drill two further exploratory wells in OCS-P 0203, one of those lease tracts which lies partially within the Channel Islands National Marine Sanctuary. In fact, the two wells would be the first such activity initiated within the sanctuary since its inception. Because of our responsibility for management of the sanctuary, as well as for administration of Channel Islands National Park, we wish to make the following comments.

Channel Islands National Marine Sanctuary was established to protect and preserve the extraordinary ecosystem surrounding the islands; the resources of both the sanctuary and the park are nationally recognized as outstanding. Therefore, while we acknowledge the legitimacy of Union Oil's right to develop Tract No. 0203 (under 15 C.F.R. 935.6, allowing hydrocarbon exploration within the sanctuary as the result of any lease executed prior to the effective date of the regulations), we were disappointed that Union's analysis of the various alternatives rejected the possibilities of slant drilling from north of the shipping lanes, outside of the sanctuary boundary. We feel that such an alternative would have been safer than developing the wells within the buffer zone (as is now planned), and would have best served to protect the integrity of the sanctuary.

In addition, we are very specifically concerned that an oil spill would affect Anacapa Island, which remains the only viable nesting area for the California brown pelican within the United States. This endangered species utilizes the island throughout the year for both breeding and

---

ATTACHMENT E

---

roosting; its nesting period alone might run from December through September. In fact, there is no time period when there is not the strong possibility of a spill affecting this bird's population.

For these same three reasons (i.e., planning to drill within the Sanctuary, planning to drill within the shipping lane buffer zone, and the possibility of harm to the Anacapa Island pelican colony), the California Coastal Commission objected to Chevron, USA's plans to develop OCS 0205 in the recent past. In spite of the conclusion found in Appendix D ("Coastal Zone Management Consistency Certification") of Union Oil's Exploratory Report, that the present plan is consistent with the California Coastal Zone Management Program, we remain very interested in the comments of the California Coastal Commission with respect to this plan, to see whether it agrees with such a consistency determination.

In addition, while it seems that the Diamond M. General has most of the equipment called for in the above regulations, we request that you remind Union Oil of the obligation that there be 15 bales of oil sorbent material onsite (15 C.F.R. 935.6(b)(3)), as well as that equipment which was listed on page 3 of the Safety and Contingency Plan.

Thank you for the opportunity to comment. Please keep us apprised of the fate of this particular exploratory plan.

Y07 William H. Elorn

William H. Elorn

JUL 10 1982

## Memorandum

TO : California Coastal Commission  
631 Howard Street  
San Francisco, California 94105

ATTN: Mari Gettdiener

FROM : Department of Fish and Game

SUBJECT: OCS Plan of Exploration for Lease OCS-P-0203 Nos. 5 and 6, Union Oil Company, Santa Barbara Channel

Date: June 16, 1982

RECEIVED

JUL 10 1982

CALIFORNIA  
COASTAL COMMISSIONcopy: Burns  
Robertson  
Theresa 1700

We have reviewed the subject Plan of Exploration for the drilling of two exploratory wells, located approximately seven miles southwest of Port Hueneme and five and one-half miles north-northeast of Anacapa Island, to evaluate a potential source of hydrocarbon resources. The proposed activity is within six nautical miles (nmi) of the Channel Islands Marine Sanctuary. It is our understanding that the ban on future oil and gas activities within the Sanctuary was reinstated by the National Oceanic and Atmospheric Administration on April 30, 1982. The site is also within the bufferzone detailed in the Coastal Commission's January 8, 1980 policy to protect unique resources within established State Ecological Reserves and designated "Natural Areas".

Our main concerns with respect to the location of the proposed wells focus on their close proximity to the established northbound vessel traffic lane as well as their relative nearness to Anacapa Island, a designated Area of Special Biological Significance which harbors a major breeding population of the endangered California brown pelican. The proposed wells are located within the 500 meter vessel traffic buffer zone and appear to be immediately adjacent to the traffic lane. It is our opinion that the proposed activity in this location would run a higher than normal risk of collision with vessel traffic which could result in a major oil spill close to Anacapa Island. This location, therefore, would appear to be inconsistent with Section 30262(d) of the Coastal Act which states, in part, that platforms shall not be sited in hazardous areas.

We have consistently recommended the deletion of lease tracts within six nmi of the northern Channel Islands. We continue to consider this recommendation necessary to provide a buffer between potential oil and gas exploration and development and areas containing valuable as well as delicate natural resources. The buffer zone would provide an added time interval during which mainland based containment and clean up equipment could respond to and successfully contain an oil spill before it would reach the island shore.

The on-site containment and cleanup response capabilities for a small (less than 10 barrels) oil spill appear to be adequate.

ATTACHMENT F

012025

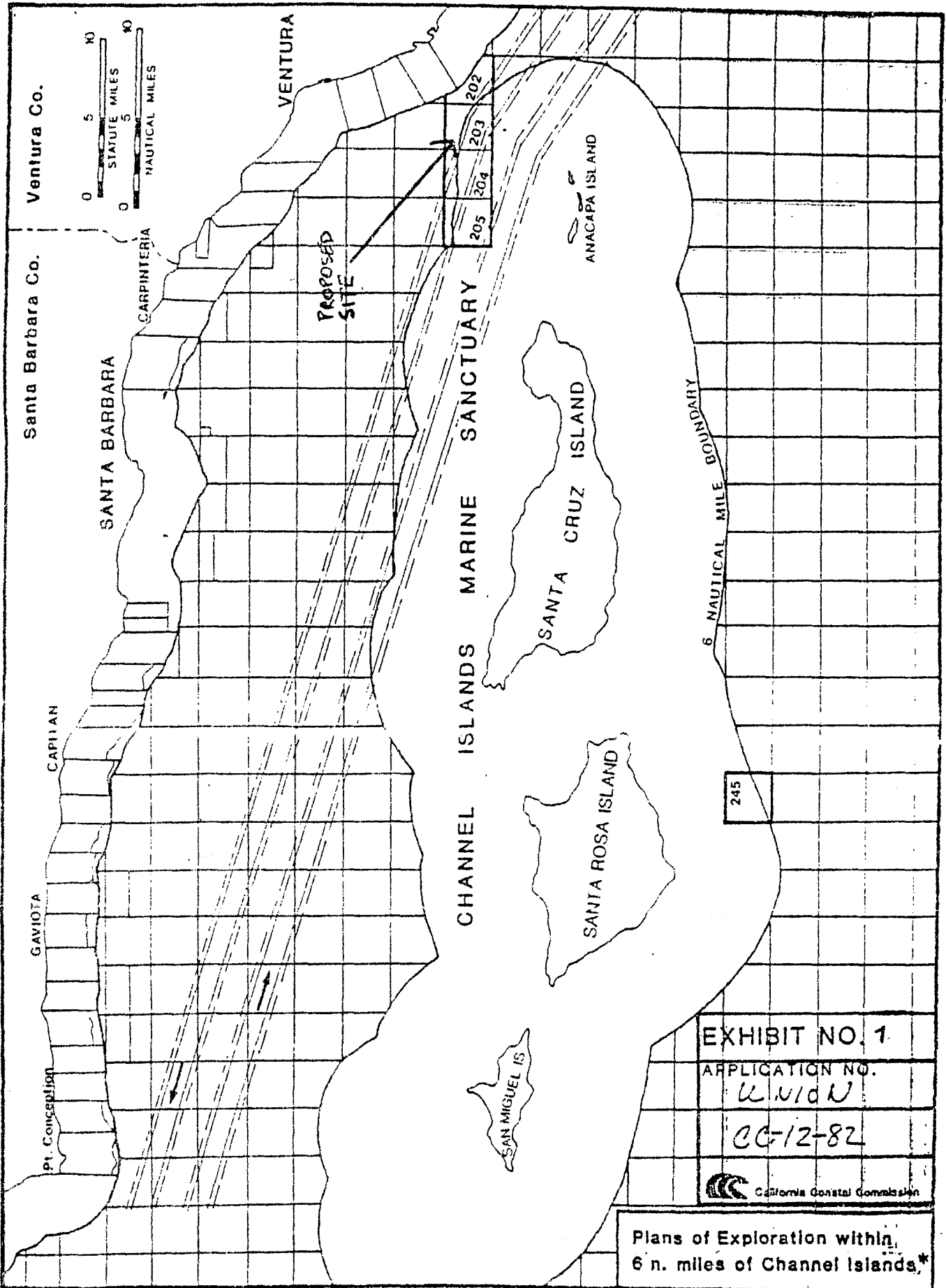
conflicting evidence in currently available literature regarding the acute and/or chronic effects of drilling muds on pelagic and benthic marine organisms. Until sufficient information is available to permit an informed decision regarding this matter, onshore disposal is a prudent recommendation. In this regard, we are presently involved with the Central Coast Regional Water Quality Control Board in designing a program to obtain such information. Upon the successful conclusion of this program, we expect that an informed decision regarding disposal of drilling fluids can be made.

Should you have questions, please contact Mr. R. E. Mall, Environmental Services Supervisor, 350 Golden Shore, Long Beach, CA 90802. The telephone number is AHS 5-635-5155 or (213) 590-5155.

*E. V. Toffoli*

FOR Director

cc: General Management Service  
Pacific OCS Office  
Los Angeles, CA



Ventura Co.

Santa Barbara Co.

GAVIOTA  
CARTIAN

SANTA BARBARA

CARPINTERIA

VENTURA

PROPOSED SITE

CHANNEL ISLANDS MARINE SANCTUARY

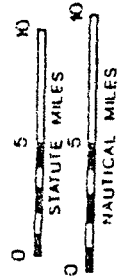
SAN MIGUEL IS.

SANTA ROSA ISLAND

SANTA CRUZ ISLAND

ANACAPA ISLAND

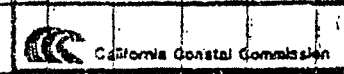
6 NAUTICAL MILE BOUNDARY



202  
203  
204  
205

245

EXHIBIT NO. 1  
APPLICATION NO.  
W-1101N  
CC-12-82



Plans of Exploration within  
6 n. miles of Channel Islands\*

\*See Chart of Commission Action for detailed information.

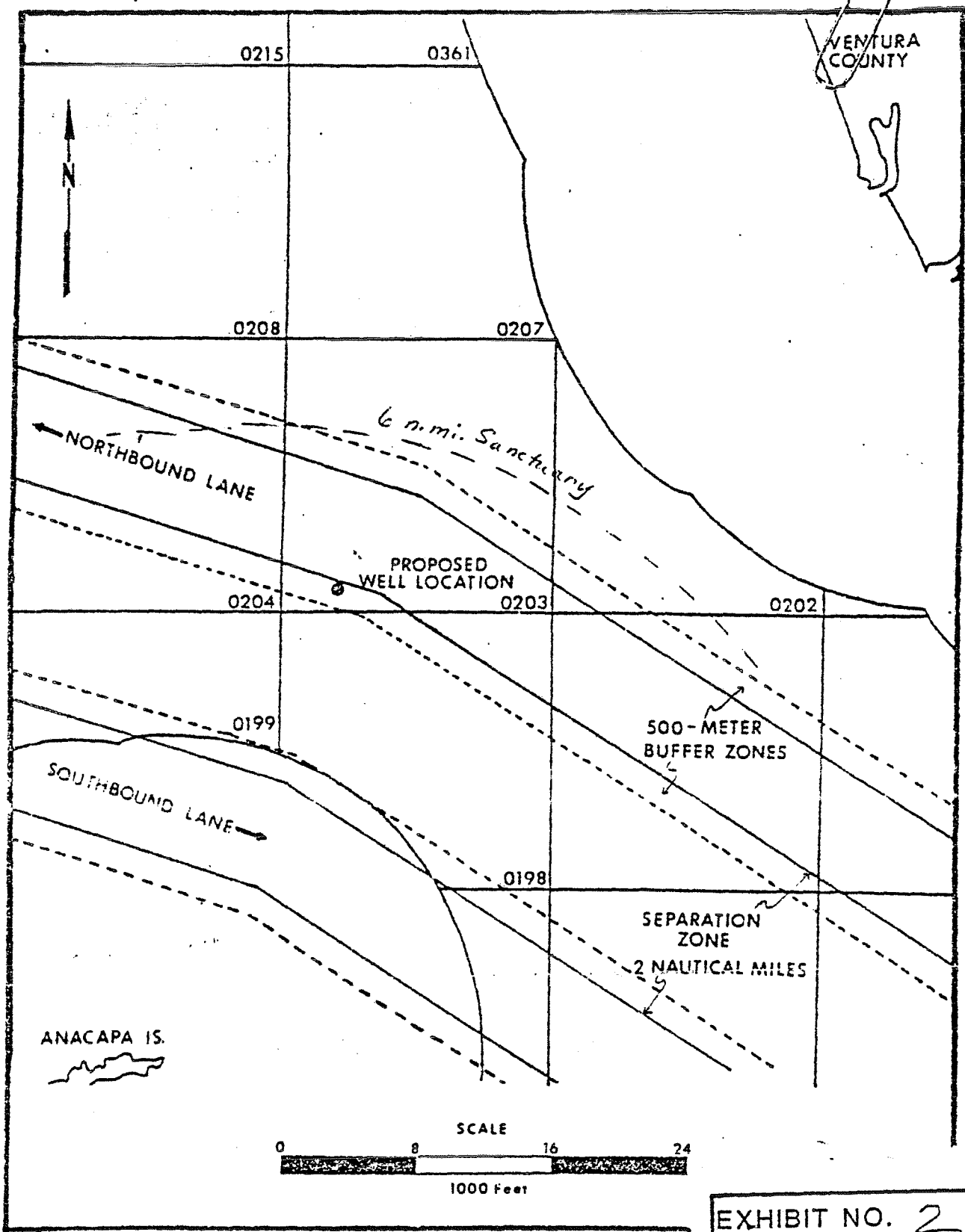


FIGURE  
III-22

VESSEL TRAFFIC SEPARATION SCHEME  
EASTERN SANTA BARBARA CHANNEL

EXHIBIT NO. 2
APPLICATION NO. UNION
CC-12-82
California Coastal Commission

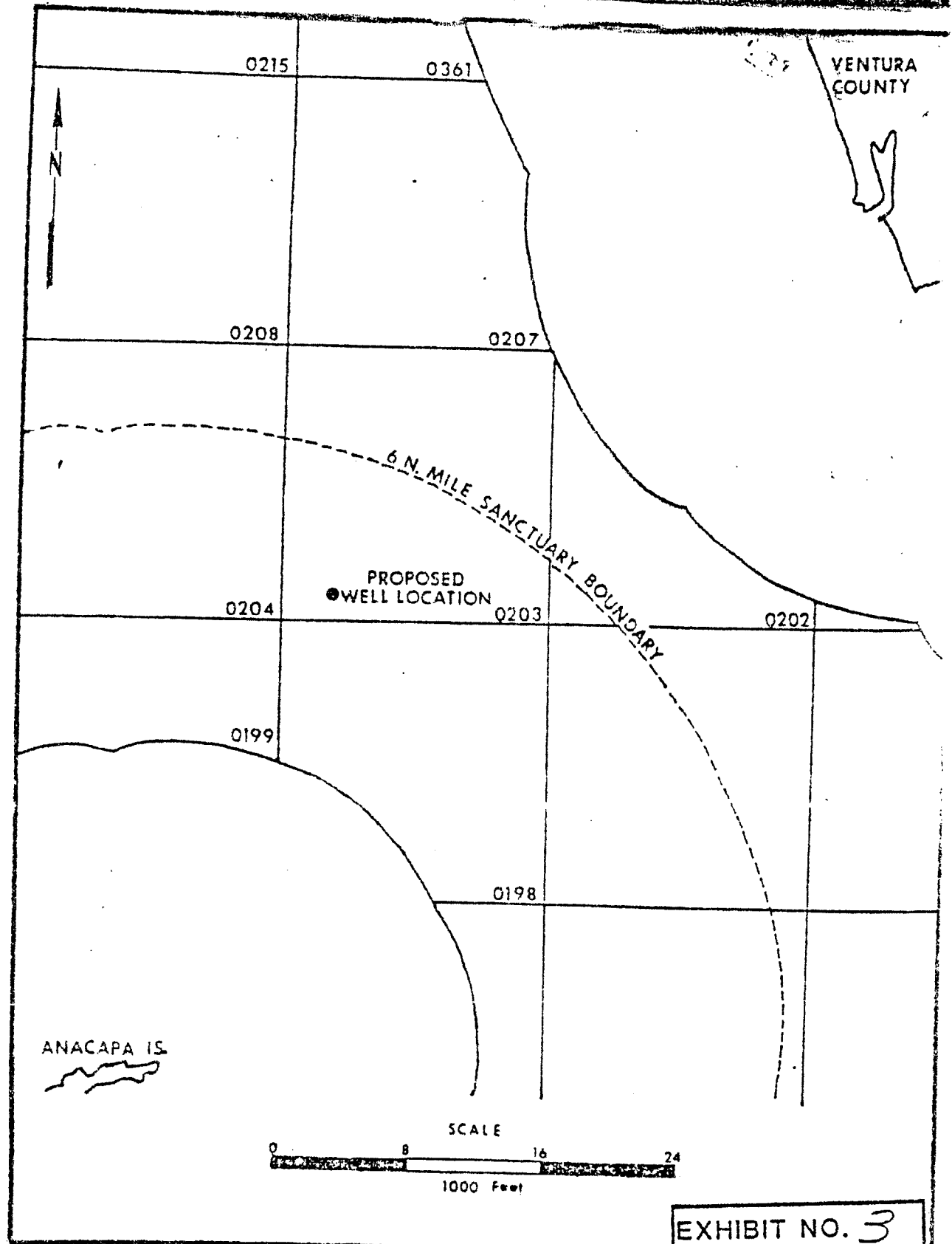


FIGURE III-23 BOUNDARY OF CHANNEL ISLANDS MARINE SANCTUARY

EXHIBIT NO. 3  
 APPLICATION NO. UNION  
 CC-12-82

California Coastal Commission



EXHIBIT A

# PROPOSED LOCATION UNION OCS P 0203-5

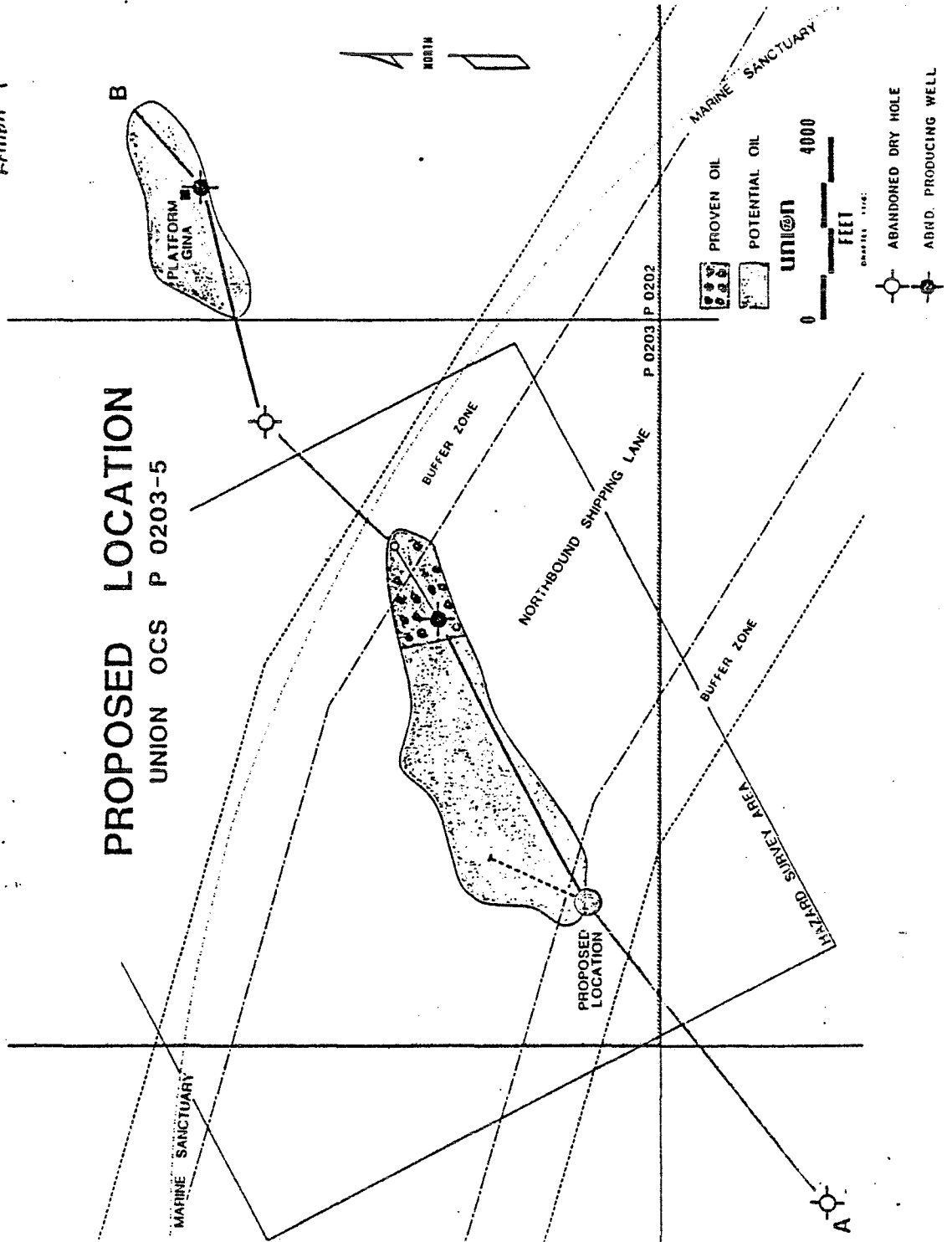


EXHIBIT A

CHART OF COMMISSION ACTION

Plans of Exploration within or near 6 nautical miles of Channel Islands

\* \* \*

*Chevron POE*

*Chevron Amended POE*

*Union POE*

	OCS lease 245 (1979) Concurrence	OCS lease 205 (1980) Objection	OCS lease 205 (1982) Concurrence	OCS lease 204 (1978) Concurrence	OCS lease 203 (1952) Objection
Project	1 gas well	1 oil well	2 oil wells	1 oil well on 204	2 oil wells
Location	4.3 n.mi. south of Santa Rosa Island	5.7 n. mi. north of Anacapa Island	6.83 n. mi. north of Anacapa Island (surface location)	8 n. mi. north of Anacapa Island	4.6 n. mi. north of Anacapa Island
Oil Spills	Oil spill trajectory low probability of oil movement in the direction of Santa Rosa and gas lease	Location of drillship near shipping lane increases risk of oil spill. Trajectory presents greatest risk during fall when drilling could be possible.	Recognized risk near shipping lanes. Extensive mitigation measures allowed Commission to find that project is approvable.	Recognized risk, but state of art containment included.	Increased risk due to shipping lane location. Trajectory greatest risk in fall.
Resources	Harbor seal and sea-bird activity concentrated in March to mid-June. "Window can be established."	Endangered species (Brown Pelican) breed at Anacapa. No window can be established.	Not located within 6 n. miles of Channel Islands	Not located within 6 n. mi. of Channel Islands	Endangered species (Brown Pelican) breed at Anacapa Island. No satisfactory window.
VTSS	Not located in VTSS or its buffer zones	Located in buffer zone of northbound lane of VTSS	located in buffer zone of northbound lane, 4 mi. NW of the "dog leg", or bend. 3 mi. margin of safety needed.	navigation not reviewed because of a "vested right" prior to approval of the CCMP.	located in buffer zone of northbound lane within the dog leg. No margin of safety.

EXHIBIT 5

Exhibit 5

OBJECTIVES AND POLICIES OF THE CZMA

SEC. 302. The Congress finds that —

(a) There is a national interest in the effective management, beneficial use, protection, and development of the coastal zone.

(b) The coastal zone is rich in a variety of natural, commercial, recreational, ecological, industrial, and esthetic resources of immediate and potential value to the present and future well-being of the Nation.

(c) The increasing and competing demands upon the lands and waters of our coastal zone occasioned by population growth and economic development, including requirements for industry, commerce, residential development, recreation, extraction of mineral resources and fossil fuels, transportation and navigation, waste disposal, and harvesting of fish, shellfish, and other living marine resources, have resulted in the loss of living marine resources, wildlife, nutrient-rich areas, permanent and adverse changes to ecological systems, decreasing open space for public use, and shoreline erosion.

(d) The coastal zone, and the fish, shellfish, other living marine resources, and wildlife therein, are ecologically fragile and consequently extremely vulnerable to destruction by man's alterations.

(e) Important ecological, cultural, historic, and esthetic values in the coastal zone which are essential to the well-being of all citizens are being irretrievably damaged or lost.

(f) New and expanding demands for food, energy, minerals, defense needs, recreation, waste disposal, transportation, and industrial activities in the Great Lakes, territorial sea, and Outer Continental Shelf are placing stress on these areas and are creating the need for resolution of serious conflicts among important and competing uses and values in coastal and ocean waters.

(g) Special natural and scenic characteristics are being damaged by ill-planned development that threatens these values.

(h) In light of competing demands and the urgent need to protect and to give high priority to natural systems in the coastal zone, present, state and local institutional arrangements for planning and regulating land and water uses in such areas are inadequate.

(i) The key to more effective protection and use of the land and water resources of the coastal zone is to encourage the states to exercise their full authority over the lands and waters in the coastal zone by assisting the states, in cooperation with Federal and local governments and other vitally affected interests, in developing land and water use programs for the coastal zone, including unified policies, criteria, standards, methods, and processes for dealing with land and water use decisions of more than local significance.

(j) The national objective of attaining a greater degree of energy self-sufficiency would be advanced by providing Federal financial assistance to meet state and local needs resulting from new or expanded energy activity in or affecting the coastal zone.

DECLARATION OF POLICY

Sec. 303. The Congress finds and declares that it is the national policy—

(1) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations;

(2) to encourage and assist the states to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone, giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development, which programs should at least provide for—

(A) the protection of natural resources, including wetlands, floodplains, estuaries, beaches, dunes, barrier islands, coral reefs, and fish and wildlife and their habitat, within the coastal zone.

(B) the management of coastal development to minimize the loss of life and property caused by improper development in flood-prone, storm surge, geological hazard, and erosion-prone areas and in areas of subsidence and saltwater intrusion, and by the destruction of natural protective features such as beaches, dunes, wetlands, and barrier islands.

(C) priority consideration being given to coastal-dependent uses and orderly processes for siting major facilities related to national defense, energy, fisheries development, recreation, ports and transportation, and the location, to the maximum extent practicable, of new commercial and industrial developments in or adjacent to areas where such development already exists.

(D) public access to the coasts for recreation purposes.

(E) assistance in the redevelopment of deteriorating urban waterfronts and ports, and sensitive preservation and restoration of historic, cultural, and esthetic coastal features.

(F) the coordination and simplification of procedures in order to ensure expeditious governmental decisionmaking for the management of coastal resources.

(G) continued consultation and coordination with, and the giving of adequate consideration to the views of, affected Federal agencies.

(H) the giving of timely and effective notification of, and opportunities for public and local government participation in, coastal management decisionmaking, and

(I) assistance to support comprehensive planning, conservation, and management for living marine resources, including planning for the siting of pollution control and aquaculture facilities within the coastal zone, and improved coordination between State and Federal coastal zone management agencies and State and wildlife agencies; and

(3) to encourage the preparation of special area management plans which provide for increased specificity in protecting significant natural resources, reasonable coastal-dependent economic growth, improved protection of life and property in hazardous areas, and improved predictability in governmental decisionmaking; and

(4) to encourage the participation and cooperation of the public, state and local governments, and interstate and other regional agencies, as well as of the Federal agencies having programs affecting the coastal zone, in carrying out the purposes of this title.

EXHIBIT NO. 6

APPLICATION NO.

UNION

CC-12-82



California Coastal Commission

Separation Zone            2 n. mi.  
 Vessel Traffic Lane        1 n. mi.  
 Buffer Zone                    500 m.

----- 6 nautical miles from Channel Islands

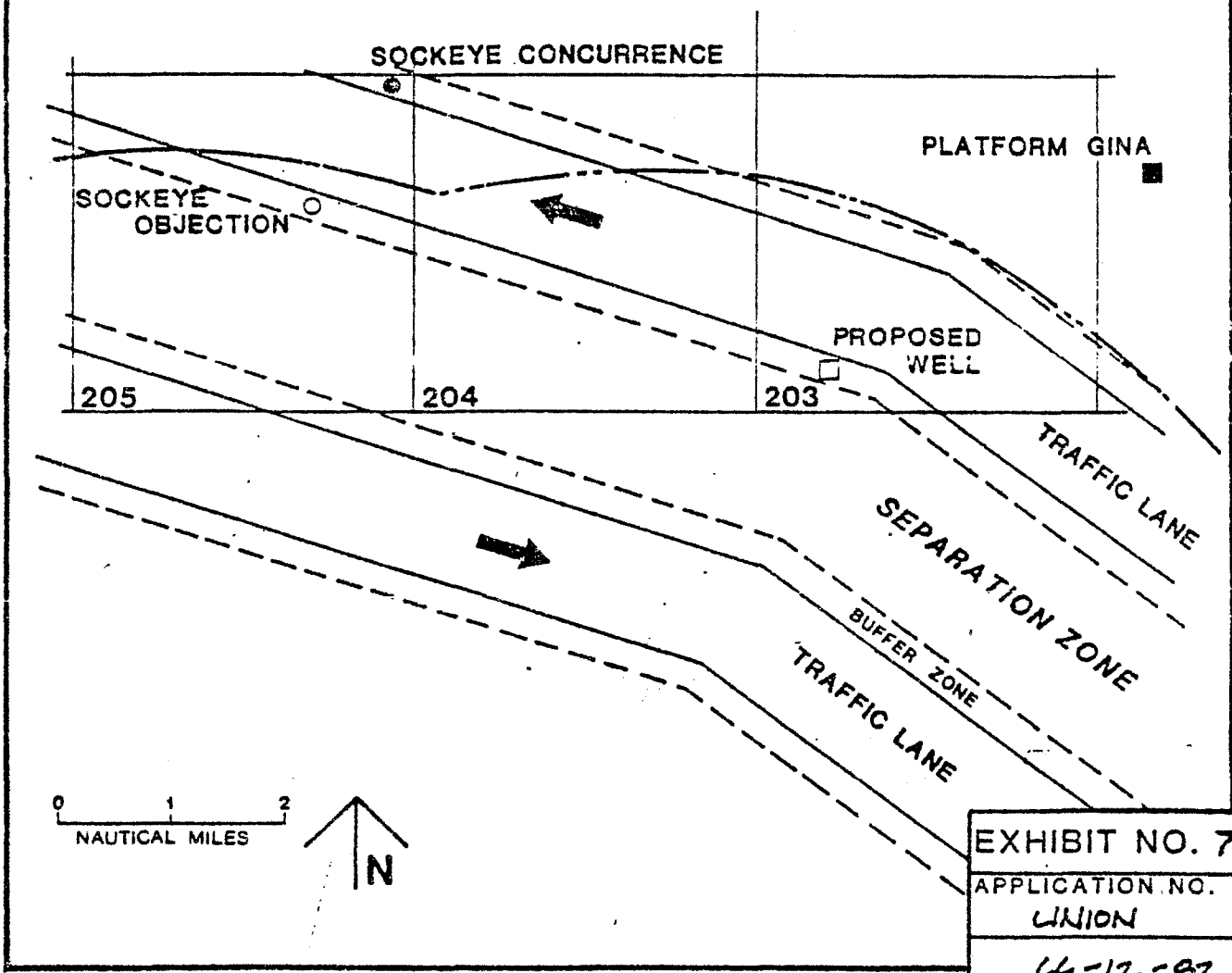


EXHIBIT NO. 7
APPLICATION NO. UNION
66-12-82
California Coastal Commission

11/21/84

*Noted Man*

NOTED-DUNAWAY

~~RECOMMENDED~~ DECISION AND FINDINGS  
IN THE  
CONSISTENCY APPEAL OF  
UNION OIL COMPANY OF CALIFORNIA  
TO AN  
OBJECTION FROM THE CALIFORNIA COASTAL COMMISSION

Union Oil Company of California (Appellant) submitted an amended Exploration Plan to the Minerals Management Service of the Department of the Interior and to the California Coastal Commission (Commission) seeking permission to drill two exploratory wells on OCS lease P-0203 which lies partially within the boundaries of the Santa Barbara Channel Islands National Marine Sanctuary (Sanctuary) and which is transversed by the northbound shipping lane of the Santa Barbara Channel Vessel Traffic Separation Scheme.

The Commission, California's Federally approved coastal zone management agency, objected to the Appellant's consistency certification for the amended Exploration Plan on the ground that the proposed exploratory drilling was inconsistent with the California Coastal Management Program (CCMP) because it would subject the endangered California brown pelican and its habitat on or near Anacapa Island within the Sanctuary to risk of injury from oil spills occurring during the exploratory drilling and would pose a hazard to vessel traffic safety in the Santa Barbara Channel.

Under Subparagraphs A and B of Section 307(c)(3) of the Coastal Zone Management Act of 1972, as amended (CZMA) (16 U.S.C. § 1456(c)(3)(A) and (B)), and 15 CFR 930 of the Department of Commerce's implementing regulations, the Commission's objection to the Appellant's amended Exploration Plan precludes all Federal agencies from issuing any permit or license necessary for the exploratory drilling to proceed, unless the Secretary of Commerce finds that the objected-to activity may be Federally approved because it "is consistent with the objectives of the [CZMA]" (Ground I) or is "otherwise necessary in the interest of national security" (Ground II) (Section 307(c)(3)(B) of the CZMA). If the requirements of either Ground I or Ground II are met, the Secretary must sustain the appeal.

On December 12, 1983, pursuant to Subparagraphs A and B of Section 307(c)(3) of the CZMA and Subpart H of 15 CFR Part 930, the Department of Commerce's regulations governing the Secretary's review of the objected-to activity, the Appellant filed a Notice of Appeal with the Secretary of Commerce. The Secretary, upon consideration of the information submitted by the Appellant, the Commission, Federal agencies and interested persons as well as other information in the administrative record of the appeal, made the following findings pursuant to 15 CFR 930.121 and 930.122:

GROUND I

(a) Exploratory drilling on OCS P-0203 would contribute to the national interest of attaining energy self-sufficiency and thereby furthers one or more of the competing national

objectives or purposes contained in Sections 302 or 303 of the CZMA. (pp. 7-8.)

(b) The adverse effects of the project on the natural resources of the coastal zone are not substantial enough to outweigh its contribution to the national interest. (pp. 8-20.)

(c) The project will not violate any requirements of the Clean Air Act or Clean Water Act. (pp. 21-22.)

(d) There are no reasonable alternatives available to the Appellant which would permit the project to be carried out in a manner consistent with the CCMP. (pp. 22-23.)

### Ground II

The Appellant has not met the requirements of Ground II to demonstrate that its proposed exploratory drilling of two wells directly supports national defense or security interests and that such interests will be significantly impaired if the drilling cannot go forward as proposed. (pp. 23-25.)

The Secretary has found that the Appellant's appeal has met the requirements of Ground I set forth in 15 CFR 930.121, and, therefore, that the Appellant's proposed drilling of two exploratory wells on OCS P-0203, although inconsistent with the CCMP, is consistent with the objectives of the CZMA and may be permitted by Federal agencies. (pp. 23, 25.)

## Factual Background

### Appellant's Exploration Plan

On May 13, 1982, Union Oil Company of California (Appellant), as sole lessee and operator of Outer Continental Shelf (OCS) lease P-0203 offshore Southern California, submitted its final Exploration Plan (Plan), Environmental Report, and Safety and Oil Spill Contingency Plans to the Minerals Management Service (MMS) of the Department of the Interior (Interior) requesting approval to drill up to two exploratory wells on OCS P-0203 to evaluate potential sources of hydrocarbon resources which the Appellant estimates to contain 31 million barrels of crude oil. Administrative Record, Appellant's Supporting Statement 1-2, 7, 9, 18; Appellant's Environmental Report 6 [all references hereinafter are to the Administrative Record]. Lease OCS P-0203, which was acquired by the Appellant in 1968, is located at the eastern end of Santa Barbara Channel approximately 10 miles west of Point Mugu and 9.5 miles south of the City of Ventura, California. The lease partially lies within both the Channel Islands National Marine Sanctuary (Sanctuary), which was established in 1980 and which extends 6 nautical miles seaward around the Channel Islands National Park (Park), and the northbound lane of the Vessel Traffic Separation Scheme (VTSS) established by the U.S. Coast Guard for ships travelling north through the Santa Barbara Channel. Appellant's Environmental Report 6, 77-79, 83-84. Each side of the northbound lane is bordered by a 500 meter-wide "buffer zone."

The Appellant initially proposed drilling both exploratory wells during the period from November, 1982, through mid-January, 1983, from the same surface location on OCS P-0203 using a semi-submersible drilling vessel anchored approximately 1.4 nautical miles inside the seaward boundary of the Sanctuary and 4.8 nautical miles northeast of Anacapa Island, one of the islands that make up the Park. Appellant's Environmental Report 83-84. The proposed location for the exploratory drilling operations was 504 feet from the southern boundary of the northbound shipping lane within the adjacent buffer zone. Appellant's Exploration Plan 1; MMS, Environmental Assessment 1. See Figure 1.

Anacapa Island and nearby Scorpion Rock are the only regular breeding colonies in the United States of the California brown pelican, listed as an endangered species by the U.S. Fish and Wildlife Service (FWS). Appellant's Supporting Statement at Exhibit D, MMS Environmental Assessment, app. 1, FWS Biological Opinion Regarding Oil and Gas Exploration and Certain Development Activities in Southern California 7. Similarly, the State of California lists the California brown pelican as an endangered species under California law. California has designated Anacapa Island as an Ecological Reserve, and the surrounding State waters as an Area of



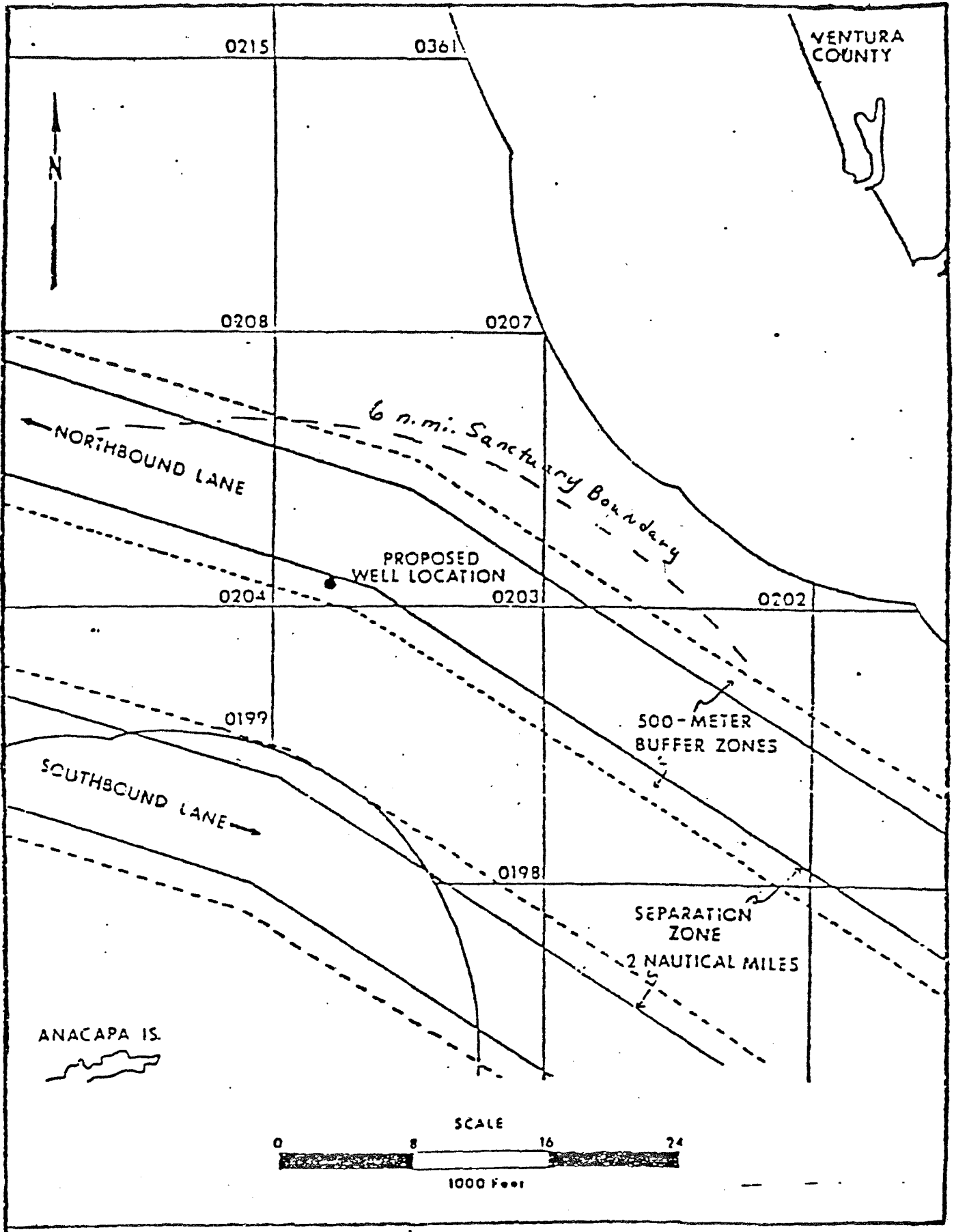


FIGURE 1

Special Biological Significance under State law. California Coastal Commission's Findings 3,5 (Nov. 17, 1982) [hereinafter Commission's Findings]; and Revised Findings on Consistency Certification 3,6 (Nov. 15, 1983) [hereinafter Commission's Revised Findings].

On May 17, 1982, MMS determined the Plan and accompanying documents to be officially submitted, and forwarded them, along with the Appellant's certification that the activities described in the Plan comply and would be conducted in a manner consistent with the California Coastal Management Plan (CCMP), to the California Coastal Commission (Commission) for review under Section 307(c)(3)(B) of the Coastal Zone Management Act of 1972, as amended (CZMA), 16 U.S.C. § 1456(c)(3)(B). Appellant's Supporting Statement 9. On November 17, 1982, the Commission, as the Federally-approved coastal zone management agency for the State of California under Sections 306 and 307 of the CZMA and 15 CFR Parts 923 and 930 of the implementing regulations of the Department of Commerce (Commerce), objected to the Appellant's consistency certification for the activities described in the Appellant's Plan for OCS P-0203. Commission's Findings 2.

The Commission determined that the Appellant's Plan did not comply with, and, therefore, was inconsistent with the policies of the Federally-approved CCMP. The Commission based its objection on its determination that the Appellant's exploratory drilling activities failed to meet the enforceable policy requirements of the California Coastal Act [Section 30000 et seq. of the California Public Resources Code] [hereinafter CCA] relating to commercial fishing, navigational safety, and protection of natural resources of the Channel Islands area, particularly the California brown pelican. Id.

The Commission's objection to the navigational safety of the Appellant's exploratory drilling was based on the drilling vessel's proximity to the VTSS, specifically its location within the buffer zone and one-half mile from the "dog leg," or bend, in the VTSS. The Commission requires that structures be located a minimum of 3 miles from the "dog leg" to ensure the safety of vessel traffic through the VTSS, and determined that the Appellant's project would be inconsistent with Section 30262 of the CCA which requires that such structures not be sited where a substantial hazard to vessel traffic might result. Further, the Commission concluded that the adverse effects on navigational safety would not be adequately mitigated by the Appellant's proposal to conduct a vessel traffic safety study similar to the one approved by the Commission in connection with exploration by Chevron, U.S.A., Inc. of nearby OCS lease P-0205, located 4 miles from the same "dog leg" turn. Id. at 11, 14.

The Commission also determined that the Appellant's proposed exploration activities are located in and would adversely

affect environmentally sensitive habitat and marine areas and species of special biological or economic significance, protected by Sections 30230 and 30240(a) of the CCA. Id. In particular, the Commission determined that oil spills are the greatest threat to the endangered California brown pelican population on Anacapa Island, and that this population is vulnerable to damage from oil spills throughout the year. Id. at 7, 9.

Additionally, the Commission determined that the risk of oil spills posed by the Appellant's project, resulting from either a well blowout or a collision between the exploratory drilling rig, or its service vessels, and a vessel transiting the VTSS could not be satisfactorily mitigated to meet the provision of Section 30232 of the CCA which requires effective oil spill containment and cleanup facilities and procedures. The Commission concluded that the Appellant's Oil Spill Contingency Plan was incomplete because it lacked information on oil spill trajectories and methods and procedures for use of chemical dispersants. Id. at 9-11.

The Appellant appealed the Commission's objection to the Secretary of Commerce (Secretary) on December 17, 1982, under Subparagraphs A and B of Section 307(c)(3) of the CZMA. Commerce published a public notice of the appeal in the Federal Register (47 Fed. Reg. 58335 (1982)). Subsequent to the filing of the appeal, the staff of the Commission and the Appellant engaged in numerous discussions throughout the first nine months of 1983, mediated by representatives of the National Oceanic and Atmospheric Administration (NOAA), in an attempt to resolve the conflicts which led to the Commission's objection. Appellant's Supporting Statement 2; Commission's Response to Appeal 1-2. On October 31, 1983, at the Appellant's request, the Secretary dismissed the appeal to enable the Appellant to submit an amended Exploration Plan (hereinafter amended Plan) to the Commission for its consistency review. 48 Fed. Reg. 51949 (1983).

#### Appellant's Amended Exploration Plan

By letter dated September 22, 1983, the Appellant submitted its amended Plan for OCS P-0203 to the MMS and requested that it be forwarded to the Commission for consistency review. Letter from J.S. Attebery, District Land Manager, Union Oil Company of California, to William Grant, Acting Regional Manager, Pacific OCS Region, MMS (Sept. 22, 1983). As part of the amended Plan, the Appellant revised its Oil Spill Contingency Plan to provide for the use of chemical dispersants in addition to mechanical measures to contain oil spills, and to establish a process by which decisions regarding the use of chemical dispersants may be made quickly. After the discussions referenced above, the Appellant, in an effort to provide the maximum feasible mitigation for its project, proposed in its amended Plan:

confirmed by its exploratory drilling only from a platform located outside the boundary of the Sanctuary; \*

2. To conduct a vessel traffic safety study similar to the study conducted in 1983 by the California Maritime Academy in conjunction with exploratory drilling by Chevron U.S.A., Inc. on OCS P-0205 in the buffer zone of the northbound VTSS lane;
3. To equip its drillship with any additional safety features recommended as a result of the vessel traffic safety study on OCS P-0205;
4. To conduct its drilling operations "in the shortest feasible time," which the Appellant estimates to involve a total time of exposure to oil bearing formations of twenty-two days for the initial drilling, and eighteen days if a redrill is necessary; and
5. To conduct a study of the marine life in the water column in the vicinity of its drilling location that might be affected by disposal of drilling muds and cuttings from its exploratory operations, and to adopt whatever measures are suggested by the study to mitigate adverse effects, including land disposal if the Commission so requires.

Appellant's Supporting Statement at Exhibit G, Transcript of November 15, 1983 Hearing 9, 14-24; Appellant's Supporting Statement 2, 14-17; Letter from J.S. Attebery to William Grant, supra.

On November 15, 1983, the Commission again objected to the Appellant's certification that its proposed exploration of OCS P-0203 would be consistent with the policies of the CCMP. Commission's Revised Findings 1-2. The Commission found that although the amended Plan mitigates adverse effects to the maximum extent feasible, the Appellant's mitigation measures are inadequate to reduce the risk of harm to the California brown pelican and to the safety of vessel traffic to a level acceptable to the Commission under Section 30260 of the CCA.<sup>1/</sup> The Commission concluded that no oil exploration

---

1/ Section 30260 of the CCA provides:

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.

5  
activity on the proposed drilling site could be adequately mitigated and that the public welfare or interest in protecting coastal resources such as the California brown pelican outweighs the public interest in energy development served by Appellant's project. Id. at 23-27.

Under Subparagraphs A and B of Section 307(c)(3) of the CZMA and 15 CFR 930.131, the Commission's consistency objection precludes all Federal agencies from issuing any permit or license necessary for the Appellant's proposed activity as described in the amended Plan to proceed, unless the Secretary determines that the activity may be Federally-approved because the activity is consistent with the objectives or purposes of the CZMA, or is necessary in the interest of national security.

#### Appeal to the Secretary of Commerce

On December 12, 1983, the Appellant filed with the Secretary a Notice of Appeal together with supporting information requesting that the Secretary find that the activities described in Appellant's amended Plan are consistent with the objectives or purposes of the CZMA or are otherwise necessary in the interest of national security. The Secretary has reserved the authority to decide such appeals. Department Organization Order 25-5A, Section 3.01(w).

Following receipt of Appellant's appeal and supporting information, Commerce published a public notice of the appeal in the Federal Register (48 Fed. Reg. 56818 (1983)) and in a local newspaper in Santa Barbara, California. A public hearing was held in Santa Barbara, California, on February 7, 1984. Comments on whether, how, and to what extent the activities proposed in Appellant's amended Plan would contribute to the national interest including the national security interest were requested and received from the Departments of Defense, State, the Interior, Treasury, Labor, Transportation and Energy, and the Office of Ocean and Coastal Resource Management (OCRM) of the National Oceanic and Atmospheric Administration. Additional comments and information have been received from the Appellant, the Commission (including the record of Appellant's proceedings before it), the Environmental Protection Agency and the Department of the Interior. All comments and information received by Commerce during the course of the appeal have been included in the Administrative Record.

I find that this appeal is properly under consideration and that the parties - the Appellant and the Commission - have complied with Commerce's regulations governing the conduct of this appeal (Subparts E and H of 15 CFR Part 930).

## Grounds for Sustaining an Appeal

Subparagraphs A and B of Section 307(c)(3) of the CZMA provide that Federal licenses or permits for activities described in an OCS exploration or development plan may not be granted until either the State concurs in the consistency of such activities with its Federally-approved coastal zone management program (its concurrence may be conclusively presumed in certain circumstances), or I find, "after providing a reasonable opportunity for detailed comments from the Federal agency involved and from the state," that each activity described in detail in such plan is consistent with the objectives of the CZMA or is otherwise necessary in the interest of national security. Appellant has pleaded both grounds. Appellant's Supporting Statement 3-4.

The regulations interpreting these two statutory grounds for allowing Federal approval despite a State's consistency objection are found at 15 CFR 930.121 ("consistent with the objectives or purposes of the Act") and 930.122 ("necessary in the interest of national security"), and are set forth in full below:

The term "consistent with the objectives or purposes of the [CZM] Act" describes a Federal license or permit activity, or a Federal assistance activity which, although inconsistent with a State's management program, is found by the Secretary to be permissible because it satisfies the following four requirements:

(a) The activity furthers one or more of the competing national objectives or purposes contained in sections 302 and 303 of the Act,

(b) When performed separately or when its cumulative effects are considered it will not cause adverse effects on the natural resources of the coastal zone substantial enough to outweigh its contribution to the national interest,

(c) The activity will not violate any requirements of the Clean Air Act, as amended, or the Federal Water Pollution Control Act, as amended, and

(d) There is no reasonable alternative available (e.g., location[, ] design, etc.) which would permit the activity to be conducted in a manner consistent with the management program.

15 CFR 930.121.

The term "necessary in the interest of national security" describes a Federal license or permit

activity, or a Federal assistance activity which, although inconsistent with a State's management program, is found by the Secretary to be permissible because a national defense or other national security interest would be significantly impaired if the activity were not permitted to go forward as proposed. Secretarial review of national security issues shall be aided by information submitted by the Department of Defense or other interested Federal agencies. The views of such agencies, while not binding, shall be given considerable weight by the Secretary. The Secretary will seek information to determine whether the objected-to activity directly supports national defense or other essential national security objectives.

15 CFR 930.122.

The regulations governing my consideration of an appeal provide:

[T]he Secretary shall find that a proposed Federal license or permit activity ... is consistent with the objectives or purposes of the [CZMA], or is necessary in the interest of national security, when the information submitted supports this conclusion.

15 CFR 930.130.

Ground I: Consistent with the Objectives of the CZMA

The first statutory ground (Ground I) for sustaining an appeal is to find that the activity "is consistent with the objectives of [the CZMA]." To make this finding, I must determine that the activity satisfies all four of the elements specified in 15 CFR 930.121.

First Element

To satisfy the first of the four elements, I must find that:

The activity furthers one or more of the competing national objectives or purposes contained in Sections 302 or 303 of the [CZMA].

15 CFR 930.121(a).

Sections 302 and 303 of the CZMA identify a number of objectives and purposes which may be generally stated as follows:

1. To preserve, protect and where possible to restore or enhance the resources of the coastal zone (Section 302(a), (b), (c), (d), (e), (f), (g), and (i); and Section 303(1));
2. To develop the resources of the coastal zone (Section 302(a), (b) and (i); and Section 303(1)); and

3. To encourage and assist the States to exercise their full authority over the lands and waters in the coastal zone, giving consideration to the need to protect as well as to develop coastal resources, in recognition by the Congress that State action is the "key" to more effective protection and use of the resources of the coastal zone (Section 302(h) and (i); and Section 303(2)).

As I have stated in an earlier appeal, OCS exploration, development and production activities are included within the objectives and purposes of the CZMA. Further, because Congress has broadly defined the national interest in coastal zone management to include both protection and development of coastal resources, this element will "normally" be found to be satisfied on appeal. Decision of the Secretary of Commerce in the Matter of the Appeal by Exxon Company, U.S.A., to a Consistency Objection by the California Coastal Commission (Feb. 18, 1984); 49 Fed. Reg. 8274 (March 6, 1984).

Appellant's amended Plan involves the search for oil from an area offshore California. As stated above, the exploration, development and production of offshore oil and gas resources and a consideration of the effects of such activities on the resources of the coastal zone are among the objectives of the CZMA when such activities require Federal permits. Because the record shows that Appellant's amended Plan falls within and furthers one or more of the broad objectives of Sections 302 and 303 of the CZMA, I find that the Appellant's project satisfies the first element of Ground I.

#### Second Element

To satisfy the second element of Ground I, I must find that:

When performed separately or when its cumulative effects are considered, the activity will not cause adverse effects on the natural resources of the coastal zone substantial enough to outweigh its contribution to the national interest.

15 CFR 930.121(b).

This element requires that I weigh the adverse effects of the objected-to activity on the natural resources of the coastal zone against its contribution to the national interest.

#### Adverse Effects

The two major adverse effects identified in the Administrative Record are those associated with the risk of an oil spill occurring during the proposed exploratory drilling and the risk of an oil spill from a vessel in the Santa Barbara Channel colliding with a drilling rig temporarily located in the buffer zone of



the VTSS.<sup>2/</sup>

The Commission found that the Appellant's proposed exploratory drilling would adversely affect the endangered California brown pelican and its habitat on and near Anacapa Island by subjecting the species and its breeding and feeding grounds to the risk of harm from oil spills that could occur during exploratory drilling operations. Commission's Revised Findings 7-16. In support of this finding, the Commission cited studies demonstrating the special vulnerability of pelicans to harm from oil because pelicans will dive through oil slicks when feeding and are not as likely as other seabirds to avoid oil. According to the Commission, such studies indicate that pelicans encountering oil while feeding or bathing will bring oil back to the nesting colony. Oil is lethal to pelican eggs, and young pelicans coming into contact with oil are particularly susceptible to injury and death. Commission's Revised Findings 8. The Commission also cited the views of the FWS, the National Marine Fisheries Service (NMFS), the National Park Service (NPS) and the California Department of Fish and Game (DFG) in support of its finding that Appellant's drilling would adversely affect the endangered brown pelicans, and disputed the Appellant's claim that the Biological Opinion issued by the FWS pursuant to Section 7 of the Endangered Species Act (16 U.S.C. § 1536) and related to oil and gas activities on OCS P-0203 endorsed the Appellant's amended Plan (Appellant's Supporting Statement 25). Commission's Response 26-29.

The FWS commented that "the proposed exploratory wells provide the potential for an oil spill in environmentally sensitive habitats," and stated that the oil spill trajectory analysis performed by the Appellant was based on data applicable to its production Platform "Gina" located closer to the mainland than Appellant's proposed drilling site. The FWS suggests that the "Gina" data may not be relevant to Appellant's proposed drilling site because Platform "Gina"

---

<sup>2/</sup> The Commission has found that the Appellant's project will not conflict with commercial fisheries (Commission's Revised Findings 16); will meet State air quality standards (Id. at 21); and will comply with State policies regarding the disposal of drill muds and cuttings (Id. at 13, 27). The other adverse effects identified by the Commission (e.g., the potential adverse effects on an environmentally sensitive habitat) are associated with the risk of a major oil spill or the hazard to vessel traffic safety and are considered in connection with these potential adverse effects.

is in an area that has "reduced tidal circulation." <sup>3/</sup>  
The FWS concludes that "if Union Oil Company is willing to provide additional environmental protection to the sensitive marine habitats, it is possible some action can be taken," and suggests, inter alia, that an auxiliary supply vessel with additional oil spill containment equipment be anchored near the drilling rig. Commission's Response at Exhibit D, Attachment D, Letter from Field Supervisor, FWS, to Deputy Manager, Pacific OCS Region, MMS (June 9, 1982).

In its Biological Opinion, the FWS stated:

It is difficult to predict from oil spill probabilities what the effects of oil activities might be on Anacapa. The only known incident of significant numbers of pelicans being oiled was after a spill from the Navy vessel Manatee in August 1973. Concentrations of light tar washed up on beaches from San Clemente south into Mexico. Twenty to 25 juvenile pelicans were found oiled. In contrast, no pelicans were reported oiled as a result of the January 1969, Santa Barbara blowout. Judging only from location of the spills, the results should have been reversed, but timing was determinant in these cases. The San Clemente spills occurred in the late summer, when large numbers of pelicans were dispersed throughout the area; the Santa Barbara spill occurred in the winter, just following a severe storm, when relatively few pelicans were in the area and fewer still would have been far from shelter. While the breeding grounds and feeding areas surrounding Anacapa Island are extremely vulnerable locations, the San Clemente spill indicates that large amounts of oil anywhere within the pelicans' range could cause significant damage at the wrong time of year.

---

<sup>3/</sup> The Appellant explained its procedure for determining the expected speed and movement of an oil spill during its proposed exploratory drilling operations as follows:

In the vector addition analysis, data on mean monthly wind speed and direction for each month of the year were obtained from "A Climatology and Oceanographic Analysis of the California Pacific Outer Continental Shelf Region." Mean surface current speed and direction was taken from a "Climatic Study of the Near Coastal Zone, West Coast of the United States." Wind speed and direction for the Santa Ana winds were obtained from the Environmental Impact Report/Environmental Assessment for Union's Platforms Gilda and Gina prepared by Dames and Moore in October 1980. Appellant's Supporting Statement at Exhibit B, vol. 1, Oil Spill Contingency Plan, app. B, Oil Spill Risk Analysis B-12.

We recommend that [MMS] require the lessee to assign a high priority and prescribe specific measures for the protection of Anacapa Island in all Oil Spill Contingency Plans submitted to [MMS] for exploration or development/production within the above listed tracts, and for activities that might result in substantially increased tanker traffic over the identified transportation routes.. Appellant's Supporting Statement at Exhibit D, MMS Environmental Assessment, app. 1, FWS, Biological Opinion Regarding Oil and Gas Exploration and Certain Development Activities in Southern California 8.

The NMFS stated that it was concerned about exploratory drilling within the boundaries of the Sanctuary because of the proximity of the drilling site to East Anacapa Island, which is protected as a State Ecological Preserve and Area of Special Biological Significance under State law. NMFS recommended that "when exploring and developing an existing lease, to the extent possible, all work be conducted from outside sanctuary boundaries." Commission's Response at Exhibit D, Attachment C, Letter from Acting Regional Director, NMFS, to Deputy Manager, Pacific OCS Region, MMS (June 4, 1982).

The NPS also stated that it would be safer to conduct exploratory operations from outside Sanctuary boundaries, in order to protect the resources of the Sanctuary and the Park. The NPS expressed its concern that an oil spill might affect Anacapa Island, which it noted "remains the only viable nesting area for the California brown pelican within the United States." Id., Attachment C, Letter from Superintendent, Park, to Deputy Manager, Pacific OCS Region, MMS (June 9, 1982).

The DFG cited as its main concern the location of the proposed exploratory wells in proximity to the VTSS, creating a higher than usual risk of collision resulting in a major oil spill close to Anacapa Island. The DFG recommended the deletion of all lease tracts within six nautical miles of the Channel Islands, in order to provide a buffer zone between oil and gas exploration and development areas and areas containing valuable and delicate natural resources. Id., Attachment F, Letter from Director, DFG, to Commission (June 16, 1982).

The Commission further found that drilling the exploratory wells from a location within the southern buffer zone of the northbound traffic lane of the VTSS would create an unacceptably high risk to the safety of vessel traffic in the Santa Barbara Channel, primarily because of the proximity of the drilling rig to the "dog leg" turn of the VTSS. Commission's Revised Findings 18-21. The Commission cited the unanalysed data collected during the course of a study conducted by the California Maritime Academy in support of its assertion that locating a drilling rig in the buffer zone of the Santa Barbara Channel VTSS would increase vessel hazards. Commission's

Revised Findings 19-20.

In response, the Appellant argues that the risk of an oil spill from its exploratory operations is extremely low, and that it has proposed adequate measures to mitigate the effects of an oil spill should one occur. Appellant's Supporting Statement 37-40. In support of its position, the Appellant notes that since 1970 more than four billion barrels of oil have been produced from the OCS and that only 791 barrels have been lost as a result of well blowouts. The Appellant also states that no significant oil spill has occurred on the United States OCS from an exploratory drilling operation. Id. 37-38. The Appellant relies upon the oil spill risk analysis performed by the MMS in connection with its application for an exploration permit, based upon drilling data from the Gulf of Mexico for the period 1971-78. According to the analysis by the MMS, no oil spills occurred although seventeen gas blowouts resulted from 2,249 wells drilled during this period. MMS computed the probability of a blowout during the drilling of an exploratory well on the United States OCS at 0.0075. Appellant's Supporting Statement 38-39; Appellant's Exhibit K, MMS Oil Spill Risk Assessment 2-3; and Appellant's Exhibit B, vol. 1, Oil Spill Contingency Plan B-8.

The Appellant also maintains that the Biological Opinion issued by the FWS covering OCS P-0203 concludes that exploration activities may go forward provided that specific measures for protecting the California brown pelican and Anacapa Island are required by the MMS. Appellant's Supporting Statement 25.

In response to the Commission's finding that Appellant's exploratory drilling would create a high risk of harm to vessels transiting the Santa Barbara Channel, the Appellant denies that such a risk exists and states that the U.S. Coast Guard, the Federal agency responsible for vessel traffic safety, has approved its proposed exploratory drilling site. Appellant's Supporting Statement 10, 43-44.

I have considered the information submitted by the parties regarding the risk of an oil spill, including the potential adverse effects of a major oil spill on the pelicans and other seabirds, as well as the comments of the resource agencies responsible for the preservation of the California brown pelican and other living resources of the area. I note that although the FWS, NMFS and the NPS all express concern about the effects of oil and gas activities on OCS P-0203 on such resources, none takes the position that the degree of risk from such activities should preclude any exploratory drilling. Commission's Response at Exhibit D, Attachments C, D and E; and Appellant's Supporting Statement at Exhibit D, app. 1, FWS Biological Opinion Regarding Oil and Gas Exploration and Certain Development Activities in Southern California 7-8.

Regarding the comment by the FWS that the "Gina" data may not be relevant to the Appellant's proposed drilling site, it is apparent that the data taken from the "Gina" assessment related only to the speed and direction of Santa Ana winds - data which is applicable to both the site of Platform "Gina" and the site of the Appellant's proposed exploratory drilling, less than four nautical miles away (see discussion, supra, p. 10 and n. 3). While I have little doubt that a major oil spill resulting from Appellant's exploratory activities on OCS P-0203 would threaten injury to the endangered California brown pelican and to its breeding, nesting and feeding grounds, I am persuaded by the information in the record of this appeal (particularly, the oil spill risk analysis submitted by the Appellant and the MMS) that the risk of an oil spill occurring during the Appellant's proposed exploratory drilling is very low, and, therefore, that the risk of injury to the endangered brown pelican and its habitat and to the other natural resources of the coastal zone is also very low, even without considering the mitigation measures to be employed by the Appellant in the unlikely event of an oil spill.

The Commission does not itself offer evidence to dispute the data contained in the oil spill risk analysis provided by the Appellant and the MMS, but argues: (1) that the analysis fails to consider the risk of an oil spill occurring as a result of a collision between the Appellant's exploratory drilling rig and a vessel transiting the VTSS, and (2) that any degree of risk of harm to the endangered California brown pelican and its habitat from the Appellant's proposed project is unacceptable. Commission's Response 19-29. I will consider the Commission's first argument in connection with the issue of vessel traffic safety, and its second when I weigh the adverse effects of Appellant's proposed exploratory drilling against its contribution to the national interest.

The degree of risk of a vessel transiting the Santa Barbara Channel colliding with a drilling rig temporarily located in the buffer zone of the Santa Barbara Channel VTSS was considered by the California Maritime Academy in connection with exploration activities conducted by Chevron U.S.A., Inc. on OCS P-0205 during the period from March 1 to May 14, 1983. Chevron's exploration activities were conducted in an area near the location of Appellant's proposed exploratory drilling on OCS P-0203 where the level of vessel traffic would be about the same. The study concludes in pertinent part:

4. A five hundred meter (500m) buffer zone adjacent to Traffic Lanes has been recommended by various sources. Based on the results of this study, under certain conditions drilling ships can be temporarily placed in this 500 meter buffer zone for exploratory drilling.

... Obviously, the longer the drillship remains in the buffer zone, the greater the danger of collision with approaching traffic. No place in navigable waters is fail-safe permanently from being struck by another vessel, but for relatively short periods of time this risk should be acceptable.

California Maritime Academy, Santa Barbara  
Channel Vessel Traffic Study 44 (Feb. 1984).

The results of this study were not available to the Commission or its staff before the Commission objected to the Appellant's amended Plan on November 15, 1983. The conclusions reached by the California Maritime Academy do not support the findings of the Commission that locating Appellant's drilling rig in the buffer zone of the northbound traffic lane of the VTSS would create an unacceptably high level of risk to vessel traffic safety. Commission's Revised Findings 18-21.

Further, testimony by the U.S. Coast Guard before the Commission regarding the level of risk caused by locating Appellant's drilling rig in the buffer zone supports the Appellant's claim that its drilling operations may be carried out in a manner which will not interfere with vessel traffic in the VTSS. Appellant's Supporting Statement at Exhibit G, Transcript of November 15, 1983 Hearing 28-36.

As stated above, the record indicates that the U.S. Coast Guard has approved the Appellant's proposed drilling location in the buffer zone of the VTSS. Commission's Revised Findings 20; Appellant's Supporting Statement 10, 43-44. Further, Appellant proposes to conduct its drilling operations "in the shortest feasible time." Appellant's Supporting Statement 16. Therefore, considering the Appellant's proposed period of drilling, the U.S. Coast Guard's approval of the Appellant's drilling location and the California Maritime Academy's conclusion that the risk to vessel safety from locating a drilling rig in the buffer zone of the VTSS is acceptable "for relatively short periods of time," I find that the Appellant's proposed drilling activities will not have a significant adverse effect on vessel traffic safety in the VTSS. Relatedly, I find the risk of an oil spill as a result of a collision between Appellant's drilling rig located in the buffer zone and a vessel transiting the VTSS to be very low.

Regarding the cumulative adverse effects of the Appellant's proposed exploratory drilling, I note that the regulations implementing the designation of the Sanctuary prohibit the exploration, development and production of oil and gas resources on OCS tracts within the six nautical mile buffer zone around the islands of the Sanctuary that were leased

on or after March 30, 1982, the effective date of the regulations. The regulations permit such hydrocarbon exploration and development activities on the five tracts that were leased before this date, subject to the control of Federal and State agencies concerned with oil and gas exploration and development on the OCS. 47 Fed. Reg. 18588 (1982). Although the Commission has previously allowed oil and gas exploration activities to be conducted on two tracts located within or near the boundaries of the Sanctuary, no exploration activities are currently in progress within the Sanctuary. Commission's Revised Findings 4. Therefore, because no oil and gas exploration or development activities may be carried out on all but five OCS lease tracts within the boundaries of the Sanctuary, and no such activities are currently in progress, I find that Appellant's proposed exploratory drilling will not cumulatively cause adverse effects on the natural resources of the coastal zone.

#### Contribution to the National Interest

Commerce regulations indicate that there are several ways to determine the national interest in a proposed project, including seeking the views of Federal agencies, examining Federal laws and policy statements from the President and Federal agencies, and reviewing plans, reports and studies issued by Federal agencies. 15 CFR Part 923, 44 Fed. Reg. 18608 (1979). Commerce sought the views of certain Federal agencies concerning the national interest in the Appellant's proposed exploratory drilling on OCS P-0203. The views expressed by Federal agencies regarding the national interest in this project are summarized below:

The Department of the Treasury commented that "although the benefits of an individual project are difficult to quantify, the effects even though small are favorable." The Department also believes that the Appellant's exploratory activities add to our knowledge of the national petroleum reserve base. Letter from Manuel H. Johnson, Assistant Secretary for Economic Policy, to John V. Byrne, Administrator, NOAA (March 14, 1984).

The Department of Energy stated that the Appellant's exploratory activities are in the national interest because such oil and gas activities help reduce our dependence on foreign oil. The Department noted that even maintaining the current ratio of imported to domestic oil will require that new domestic reserves be identified at an increasing rate. Letter from William A. Vaughan, Assistant Secretary, Fossil Energy, to John V. Byrne, Administrator, NOAA (March 20, 1984).

The Department of Labor commented that although the Appellant's project would serve the national interest by creating jobs, "the magnitude of this particular development is not large enough to affect substantially our national economic situation." Letter from Daniel K. Benjamin, Acting

Assistant Secretary for Policy, to John V. Byrne, Administrator, NOAA (Apr. 6, 1984).

The Department of Transportation commented that there would be no conflict between the Appellant's exploratory drilling at its proposed site and the national interest in navigation safety. Letter from Matthew V. Scocozza, Assistant Secretary for Policy and International Affairs, to John V. Byrne, Administrator, NOAA (March 20, 1984).

Interior stated that the Appellant's exploration activities are necessary to develop the oil and gas reserves of the Hueneme Field, and that development of these reserves serves the national interest in achieving a greater degree of energy self-sufficiency. The Department also noted the expenditures resulting from development associated with the Appellant's exploration plan, which it estimated to be more than \$96 million. Revenues would accrue to the Federal and State governments; employment opportunities during the construction and development stages of the project would be created; and the United States balance of trade would be improved. Letter from William Clark, Secretary of the Interior, to John V. Byrne, Administrator, NOAA (May 9, 1984).

The Appellant maintains that its exploratory drilling on OCS P-0203 serves the national interest expressed in both the CZMA and the Outer Continental Shelf Lands Act Amendments of 1978 in attaining energy self-sufficiency, thereby reducing dependence on foreign oil. Appellant's Supporting Statement 31-34. The Appellant estimates that the field to be delineated by its proposed exploratory drilling contains at least 31 million barrels of recoverable oil, worth approximately \$930 million, assuming an average price of \$30 per barrel over the life of the field. The Appellant also asserts that its exploratory drilling is a necessary step in bringing the field into production, and will lead to the creation of jobs during the drilling and development phases of the project, and to the payment of royalties and taxes to the Federal Government. Id. The Commission agrees that OCS oil and gas exploration and development contributes to the national interest by reducing dependence on foreign oil sources, favorably affecting the balance of payments and creating jobs. Therefore, based on the information in the record, I find that Appellant's exploration of the field known to exist on OCS P-0203 contributes to the national interest in attaining energy self-sufficiency.

But the Commission argues that there also is a "substantial national interest in environmental protection and the continued viability of the endangered brown pelican." Commission's Response 17-18. I agree with the Commission that there is an important national interest in protecting the endangered California brown pelican and its habitat on or near Anacapa Island, and this national interest is served by the actions of the State of California in designating the area as an



Ecological Preserve and an Area of Special Biological Significance, and by the Federal Government in classifying the California brown pelican as endangered under the Endangered Species Act, in creating the Channel Islands National Park and in establishing a national marine sanctuary around the Santa Barbara Channel Islands, including Anacapa Island, pursuant to Title III of the Marine Protection, Research, and Sanctuaries Act of 1972.

### Weighing

Having identified both the potential adverse effects on the natural resources of the coastal zone which may be caused by Appellant's drilling operations and the national interest served by such a project, I am required to decide whether the project's adverse effects are substantial enough to outweigh its contribution to the national interest (15 CFR 930.121(b)). The Administrative Record indicates that the only serious adverse effects that could be caused by the Appellant's exploratory drilling are those associated with the risk of a major oil spill from the proposed exploratory drilling activities or from a passing ship colliding with the drilling rig. To reiterate, I have already found the risk of an oil spill from Appellant's proposed drilling operations and the related risk of injury to the endangered brown pelican and its habitat to be very low (supra, p. 13), and that the risk of an oil spill from a passing ship colliding with a drilling rig located in the buffer zone of the VTSS for a relatively short period of time is also very low (supra, p. 14). I also have found that the Appellant's project contributes, at least modestly, to the national interest by delineating a field estimated to contain approximately 31 million barrels of recoverable oil (supra, p. 16), and I have recognized that there is a national interest in protecting the endangered brown pelican and its habitat (supra, p. 16). Before weighing these matters, I must consider whether, as argued by the Commission, any degree of risk of harm to the pelican and its habitat, however low, is unacceptable and perforce outweighs any contribution, however large, Appellant's project might make to the national interest.

To analyze whether any risk of harm to the pelican and its habitat is acceptable, I have considered this Department's actions when it designated the Sanctuary, as well as the Commission's views at the time of Sanctuary designation. Providing protection for the endangered brown pelican, other seabirds and their habitat was one of the major reasons cited by this Department for establishing the Sanctuary. Final Environmental Impact Statement on the Proposed Channel Islands Marine Sanctuary (FEIS), Sections E.2.b. and F.2.; and Article 3 of the Sanctuary Designation Document (45 Fed. Reg. 65203 (1980)). To ensure that the living resources of the Sanctuary were not threatened because of the expanding

oil and gas exploration and development activities in nearby areas of the Santa Barbara Channel, a buffer zone of six nautical miles around the Santa Barbara Channel Islands was established. FEIS, Section F.2.1.; and Article 2 of the Sanctuary Designation Document (45 Fed. Reg. 65203 (1980)). Within the buffer zone, no hydrocarbon exploration and development activities on OCS tracts leased after the effective date of the applicable regulations are permitted, although such activities on tracts leased before the effective date of the applicable regulations are allowed, subject to any conditions imposed by Federal and State agencies, including the Department of the Interior and the Commission, the latter acting pursuant to its consistency review authority under the CZMA.<sup>4/</sup>

Although it is evident that the purpose of restricting hydrocarbon activities is to protect the "sensitive living resources" of the Sanctuary, it is also clear that no absolute ban on exploration and development activities on preexisting leases was intended. FEIS, Section F.2. c. 1. Decisions to permit such activities on preexisting leases were left to Federal and State agencies "for case by case determination, evaluating all information available." FEIS, Section G at G-27. As explained in the FEIS:

The proposed regulations on hydrocarbon exploration and development strike a balance between imposing economic costs and achieving environmental protection. The proposed regulations protect the sanctuary resources from possible major expansion of oil and gas development, but permit development of the tracts in which the oil and gas industry has already invested. FEIS at Section G at G-38.

---

<sup>4/</sup> The regulations at 15 CFR 935.6 governing "hydrocarbon operations" within the Sanctuary provide, inter alia:

(a) Hydrocarbon exploration, development and production pursuant to any lease executed prior to the effective date of these regulations and the laying of any pipeline is allowed subject to paragraph 935.6(b) and to all prohibitions, restrictions and conditions imposed by applicable regulations, permits, licenses or other authorizations and consistency reviews including those issued by the Department of the Interior, the Coast Guard, the Corps of Engineers, the Environmental Protection Agency and under the California Coastal Management Program and its implementing regulations.

(c) Hydrocarbon exploration, development and production activities pursuant to leases executed on or after the effective date of these regulations are prohibited.

[The regulations governing hydrocarbon activities became effective March 30, 1982 (47 Fed. Reg. 18588 (1982)).]

19

Although the Commission argues in this appeal that no degree of risk of harm to the pelican is acceptable, and, therefore, opposes any exploratory activity on Appellant's preexisting lease, the Commission recommended at the time the Sanctuary was established that hydrocarbon activities be permitted on existing leases subject to the following criteria:

1. The lease operator must have first explored the adjacent leased area outside the buffer zone, with results indicating the likelihood of an oil or gas field extending within the buffer zone;
2. The purpose of the exploration within the buffer zone must be to determine the extent of the field and how much of the resources may feasibly be produced from a platform outside the six nautical mile limit;
3. No oil and gas development and production activities would be permitted within the buffer zone; and
4. Production of petroleum resources within the buffer zone would take place only from facilities located outside the boundary which employ slant drilling. FEIS, Section G at G-26-27; Commission's Revised Findings 3-4.

The Commission stated that it would apply these criteria in reviewing OCS exploration plans for consistency with the CCMP. Letter from Michael L. Fischer, Executive Director, Commission, to JoAnn Chandler, Director, Sanctuary Programs Office, NOAA (Feb. 1, 1980). Although the Commission's recommendations regarding permitting exploration activities on preexisting leases were not accepted by NOAA when the Sanctuary was designated, the Appellant argues and it would appear that its proposed exploration on OCS P-0203 meets all of the limiting conditions initially proposed by the Commission. Appellant's Supporting Statement 21-22.

I am required by 15 CFR 930.121(b) to weigh the adverse effects on the natural resources of the coastal zone against the contribution of the proposed activity to the national interest. While the potential adverse effects associated with the low risk of harm to the endangered brown pelicans that would be presented by the Appellant's proposed project must be included in my weighing, the existence of a low risk of harm to an endangered species does not mean, as the Commission argues, that the adverse effects automatically outweigh any contribution to the national interest.

The Commission determined that the mitigation measures proposed by the Appellant in its amended Plan concerning oil spill containment, cleanup and response procedures, as well as the Appellant's agreement to dispose of drill muds and cuttings on land if required by the Commission, represent the maximum mitigation feasible according to Section 30260 of the CCA (supra, p. 4). Commission's Revised Findings 26-27. Further, the U.S. Coast Guard and the MMS have approved the Appellant's Oil Spill Contingency Plan and described it as state-of-the-art in terms of mechanical equipment and chemical dispersants proposed to be used and its containment and clean-up response strategies based on varying weather and sea conditions. Appellant's Supporting Statement 42. In addition, the contingency plan proposed by the Appellant contains site-specific oil spill trajectory data indicating a very low probability that an oil spill from OCS P-0203 would contact Anacapa Island during the months of November, December and January, the period during which the Appellant would conduct its exploratory drilling. Appellant's Supporting Statement 40-41; and Appellant's Exhibit B at vol. 1, Oil Spill Contingency Plan B-11-43. The record in this appeal indicates that, although adult pelicans are present in the area of Anacapa Island throughout the year, the number of pelicans in the area would be lowest during this period, that nesting would not be in progress and that pelican fledglings would not be present. Appellant's Supporting Statement 24-25.

Therefore, based on the information in the record, I find that the Appellant's project is consistent with the national interest in protecting the California brown pelican and its habitat because of the low level of risk of an oil spill or risk of injury to the pelicans and their feeding, nesting and breeding grounds occurring during the Appellant's exploratory drilling operations; the Appellant's commitment not to construct development platforms within Sanctuary boundaries; and the mitigation measures proposed by the Appellant, in addition to the Appellant's agreement to conduct its exploratory drilling during the months of November, December and January, when the pelican population is lowest. Finally, when I weigh the low level of risk of an oil spill and the low level of risk of injury to the brown pelicans and their habitat and to other natural coastal resources from the Appellant's project against its contribution to the national interest in attaining energy self-sufficiency, I find that the Appellant's exploratory drilling on OCS P-0203, as proposed in its amended Plan, will not cause adverse effects on the resources of the coastal zone substantial enough to outweigh its contribution to the national interest.

### Third Element

To satisfy the third element of Ground I, I must find that:

The activity will not violate any requirements of the Clean Air Act, as amended, or the Federal Water Pollution Control Act, as amended.  
15 CFR 930.121(c).

The requirements of the Clean Air Act and the Federal Water Pollution Control Act are incorporated in all State coastal programs approved under the CZMA. Section 307(f) of the CZMA.

### The Clean Water Act

The Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., as amended (the Clean Water Act), provides that the discharge of pollutants is unlawful except in accordance with a National Pollution Discharge Elimination System (NPDES) permit issued by the Administrator of the Environmental Protection Agency (EPA). Sections 301 and 402 of the Clean Water Act, 33 U.S.C. §§ 1311(a), 1342.

The general NPDES permit covering discharges from oil and gas facilities operating on OCS P-0203, including the disposal of drill muds and cuttings, expired on June 30, 1984. The EPA is developing a new general NPDES permit incorporating effluent limitations reflecting the Best Available Technology Economically Achievable which, according to the EPA, should be at least as stringent as the earlier permit. The EPA has stated that the Appellant's operations will comply with the Clean Water Act, provided that the terms and conditions of the new general NPDES permit are met. Letter from William D. Ruckelshaus, Administrator, EPA, to John V. Byrne, Administrator, NOAA (April 24, 1984).

The Commission has found that Appellant's agreement to dispose of drill muds and cuttings as required by the Commission represents the maximum feasible mitigation under State law, and, therefore, with regard to the disposal of drill muds and cuttings, that the proposed project is consistent with Section 30260 of the CCA. Commission's Revised Findings 12-13, 27.

Because the Appellant cannot conduct its proposed exploratory drilling without meeting the terms and conditions of the new NPDES permit, I find that the Appellant's proposed activity will not violate the requirements of the Clean Water Act.

### The Clean Air Act

The Clean Air Act, 42 U.S.C. §7401 et seq., directs the Administrator of the EPA to prescribe national ambient air quality standards for air pollutants to protect the public health and welfare. Both the EPA and Interior have commented that Appellant's project will be conducted in compliance with the Clean Air Act. Letter from William D. Ruckelshaus to

John V. Byrne, supra; and letter from Garrey E. Carruthers, Assistant Secretary for Land and Minerals Management, Interior, to John V. Byrne, Administrator, NOAA (May 1, 1984). The Commission found that Appellant's project satisfies Section 30253(3) of the CCA, which requires that such development projects be consistent with the standards of the State Air Resources Board, and Section 307(f) of the CZMA. Commission's Revised Findings 21.

Because the Appellant cannot conduct its proposed exploratory drilling without meeting all relevant standards of the Clean Air Act, I find that the Appellant's proposed activity will not violate any requirement of the Clean Air Act.

Fourth Element

To satisfy the fourth element of Ground I, I must find that:

There is no reasonable alternative available (e.g., location[,] design, etc.) which would permit the activity to be conducted in a manner consistent with the [State coastal zone] management program.

15 CFR 930.121(d).

Although the Commission maintains in its Response that it lacks "adequate information to be able to demonstrate that an appropriate [drilling] site outside the shipping lanes and Marine Sanctuary can be found" (Commission's Response 32), the Commission found in support of its consistency objection to Appellant's project that:

[T]here is no feasible way in which Union could site or design its project to avoid impacts on the environmentally sensitive habitat areas[; and]

Alternative locations to drill the two wells require slant drilling at an angle considered unsafe, or at a location within the sea lane presenting an even greater potential risk of collisions between drillship and other vessels. Drilling any further from the oil field being delineated would not yield the data Union needs to determine whether sufficient oil and gas reserves exist to justify installation of a platform. For these reasons, the Commission finds that alternative locations are infeasible and less desirable.

Commission's Revised Findings 14, 23.

Based on the record in this appeal, and particularly in reliance upon the findings of the Commission, I find that there are no reasonable, available alternatives to Appellant's proposed project that would permit the Appellant to conduct

the project consistently with the CCMP.

### Conclusion for Ground I

On the basis of the findings I have made above, I find further that the Appellant has satisfied the four elements of Ground I, and, therefore, that the Appellant's proposed project, although inconsistent with the CCMP, is nevertheless consistent with the objectives of the CZMA.

### Ground II: National Security

The second statutory ground (Ground II) for sustaining an appeal requires that I find that the activity is "necessary in the interest of national security." To make this finding, I must determine that "a national defense or other national security interest would be significantly impaired if the activity were not permitted to go forward as proposed," and I must seek and accord considerable weight to the views of the Department of Defense and other Federal agencies in determining the national security interests involved in a project, although I am not bound by such views. 15 CFR 930.122.

Although the Appellant asserts that its project is "necessary in the interest of national security," it has declined to present evidence supporting this ground of its appeal, stating that it is "factually ill-equipped to argue the point, and defer[s] to the advice of the relevant [Federal] agencies." Appellant's Supporting Statement 4.

The Commission argues that the Appellant has not provided any evidence demonstrating that the Commission's objection preventing the Appellant's exploratory drilling "significantly impairs" the national defense or other national security interest or that the proposed project "directly supports" a national defense or security interest. The Commission maintains that a finding in this appeal that any exploratory drilling on the OCS is in the national security interest would be tantamount to an automatic Federal veto over a State's consistency objection to an exploration plan pursuant to Section 307(c)(3) of the CZMA. Commission's Response 6-9.

The views of the Departments of Defense, Energy, the Interior, Labor, State, Transportation and Treasury were solicited concerning the national security interest served by the Appellant's exploratory drilling, and are summarized below:

The Department of Defense commented that the Appellant's proposed project "may contribute to reducing [U.S.] dependence on foreign petroleum sources." Letter from Caspar W. Weinberger, Secretary of Defense, to John V. Byrne, Administrator, NOAA (March 27, 1984).

The Department of Energy stated that exploration for new

domestic sources of oil is necessary to reduce dependence on foreign sources, and found Appellant's project in the national defense and security interest. Letter from William A. Vaughan, Assistant Secretary, Fossil Energy, to John V. Byrne, Administrator, NOAA (March 20, 1984).

Interior commented that the Appellant's exploration project would increase domestic production which is "easier to defend than oil from foreign sources," would lower the United States' oil allocation to the International Energy Agency, and would lessen the need to draw down the Strategic Petroleum Reserve during an oil disruption. Interior believes that failure to develop Appellant's reserves would result in a significant impairment of the national defense and security interest. Letter from William Clark, Secretary of the Interior, to John V. Byrne, Administrator, NOAA (May 9, 1984).

The Department of Transportation stated that increased domestic production would enhance national security by reducing dependence on foreign oil. Letter from Matthew V. Scocozza, Assistant Secretary for Policy and International Affairs, to John V. Byrne, Administrator, NOAA (March 20, 1984).

The Department of the Treasury commented that exploration and subsequent development of domestic energy sources serves the national security interest by reducing dependence on foreign energy. Letter from Manuel H. Johnson, Assistant Secretary for Economic Policy, to John V. Byrne, Administrator, NOAA (March 14, 1984).

The Appellant has stated that its project is in the national security interest because it reduces dependence on foreign sources of oil. Appellant's Supporting Statement 31-34. But the Appellant has not explained how the national security interest served by attaining energy self-sufficiency would be "significantly impaired" if its project is not permitted to go forward as proposed. Interior commented that failure to develop the Appellant's oil reserves of approximately 31 million barrels would "significantly impair" the national security interest, but the Department of Defense, the agency principally concerned with national security, and none of the other Federal agencies submitting comments identified any national security interest directly supported by Appellant's exploratory drilling that would suffer significant impairment if the project could not be carried out as proposed.

#### Conclusion for Ground II

Although I have found in an earlier consistency appeal that the development of proven oil and gas reserves in the Santa Ynez Unit (SYU) on the order of 300-400 million barrels of oil and 600-700 billion standard cubic feet of gas is in the national security interest (supra, p. 8), I decline to find that exploratory drilling to delineate a known field estimated to contain only one-tenth as much oil as the SYU directly



supports national defense or security objectives, and that such interests will be significantly impaired if the drilling cannot go forward as proposed, when no such interests have been identified by the Department of Defense. Therefore, based on the evidence in the record, I find that the requirements of Ground II for sustaining the appeal have not been met.

Conclusion

Because I have found that the Appellant has satisfied the first of the two grounds set forth in the CZMA for allowing the objected-to activity to proceed notwithstanding an objection by the Commission, the Appellant's project, as described in its amended Plan and subject to all the conditions and limitations proposed by the Appellant, may be permitted by Federal agencies.

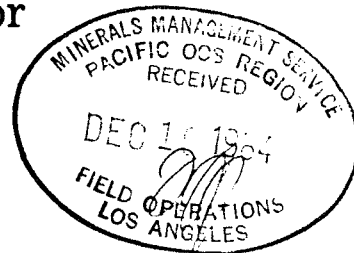
*Watson Baldwin*  
Secretary of Commerce

NOV 9 1984



# United States Department of the Interior

MINERALS MANAGEMENT SERVICE  
PACIFIC OCS REGION, VENTURA DISTRICT  
145 NORTH BRENT STREET SUITE 202  
VENTURA, CALIFORNIA 93003



In Reply Refer To:  
MMS-Mail Stop

December 17, 1984

NOTED-DUNAWAY  
Noted - Mason

## Memorandum

To: Regional Supervisor, Office of Field Operations, Pacific OCS Region  
From: District Supervisor, Ventura District  
Subject: Vessel Traffic Study, Lease OCS-P 0203 Well No. 5

Enclosure A, which directs the Union Oil Company to implement a Vessel Traffic Study, was included in the approved Application for Permit to Drill package for Well No. 5 Lease OCS-P 0203. Enclosure B, from Union Oil Company's District Land Manager J. S. Attebery, indicates that a contract was entered with the California Maritime Academy for the vessel traffic study. Enclosure B also indicates what has been accomplished to date.

Unlike a similar study made by Chevron on Lease OCS-P 0205 in 1983, there will be no information available on a daily basis. Upon completion, a copy of the study will be submitted to this office.

If there any questions concerning this memorandum, please contact the undersigned.

  
James W. Wright

Enclosures



MINERALS MANAGEMENT SERVICE  
PACIFIC OCS REGION, VENTURA DISTRICT  
145 NORTH BRENT STREET SUITE 202  
VENTURA, CALIFORNIA 93003

CALL 648-5131

In Reply Refer To:  
MMS-Mail Stop

November 16, 1984

Union Oil Company of California  
Mr. Bren C. Dehn  
District Operations Manager  
P. O. Box 6176  
Ventura, California 93006

Dear Mr. Dehn:

In accordance with the Secretary of Commerce's Decision of November 9, 1984 there were five conditions of approval to drill Well No. 5 on Lease OCS-P 0203. Four of these conditions are covered adequately under a separate letter. The fifth condition of approval is as follows: "2. To conduct a vessel traffic safety study similar to the study conducted in 1983 by the California Maritime Academy in conjunction with exploratory drilling by Chevron U.S.A. Inc., on Lease OCS-P 0205 in the Buffer Zone of the North Bound Vessel Traffic Separation Scheme Lane". Be sure to implement this condition of approval.

If there are any questions concerning this letter, call the undersigned at (805) 648-5131.

Sincerely,

James W. Wright  
District Supervisor  
Ventura District

Union Oil Company of California  
Southern California District  
1835 Knoll Drive, P.O. Box 6176, Ventura, California 93006  
Telephone (805) 656-7600

RECEIVED

DEC 14 1984

MINERALS MGT. SERVICE  
VENTURA DISTRICT



December 13, 1984

J. S. Attebery  
District Land Manager

Mr. James W. Wright  
District Supervisor  
Minerals Management Service  
Pacific OCS Region, Ventura District  
145 North Brent Street - Suite 202  
Ventura, CA 93003

NOTED WRIGHT

Re: OFFSHORE CALIFORNIA  
Santa Barbara Channel  
OCS P-0203  
Vessel Traffic Study

Dear Mr. Wright:

Union Oil Company has entered into a contract with the California Maritime Academy to study vessel traffic in proximity to the Diamond M. Falcon during the period the vessel is engaged in exploratory drilling operations on OCS P-0203.

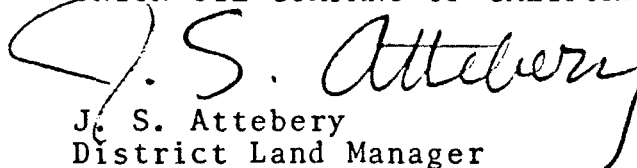
Enclosed for your information is a copy of the questionnaire and cover letter which were distributed as described in the enclosed December 4, 1984 letter from Robert L. Hall, Project Manager.

Upon completion, a copy of the study will be forwarded to your attention.

If you have any questions regarding this matter, please contact the undersigned.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA

  
J. S. Attebery  
District Land Manager

JSA/as  
0865S  
Enclosures

cc: Bren C. Dehn

## CALIFORNIA MARITIME ACADEMY

P.O. BOX 1392  
 VALLEJO, CA 94590  
 707-644-5601



J. S. ATTEBERY,

NOV 22 1984

file

Copies to: H. Harry  
 Tom  
 Mike  
 Laurie

November 19, 1984

Sent  
 11/30/84  
 /as

Dear Captain:

The Semi-Submersible Drilling Unit DIAMOND M FALCON will be taking station in the Separation Zone in the Santa Barbara Channel near Anna Cappa Island on November 19, 1984. She will be in position 34° 05' 32.3"N 119° 19' 35.9"W. A ring of 8 mooring buoys will surround the unit but will not extend into the current traffic lanes. The DIAMOND M FALCON may be identified by her turquoise blue columns from the water to the deck, white house and red/white derrick. The unit has a height above the water of 262 feet. The unit will remain on station for a period of approximately 35-75 days while drilling a test well. When the drilling unit has completed the testing it will be relocating to another site. At night the rig will be lit with white vertical lights on the derrick and several white working lights.

The California Maritime Academy has been commissioned by a major oil company to study vessel traffic in the Santa Barbara traffic lanes. In order that we gather data from Professional Mariners we ask that either you or one of your mates take time to complete the enclosed questionnaire while passing the rig and mail it to us from your next port.

Your vessel will be contacted by VHF channel 16 while passing the rig. If time permits we would appreciate your deck officer's cooperation in responding briefly to our questions.

Thank you for your cooperation.

Very truly yours,

Captain Robert L. Hall  
 Project Manager  
 Continuing Maritime Education

## CALIFORNIA MARITIME ACADEMY

P.O. BOX 1392

VENTURA, CA 94590

-644-5601

copy: Herb  
Bren Dehn.  
Mac Laurie  
Tim Thomas



December 4, 1984

Mr. J.S. Attebery  
District Land Manager  
Union Oil and Gas Division  
Western Region  
Union Oil Company of California  
P.O. Box 6176  
Ventura, CA 93006

Dear Mr. Attebery:

Following our initial meeting at CMA on November 15, 1984 in which we agreed to conduct a study of vessel traffic in the Santa Barbara Channel the following has been accomplished.

2500 questionnaires and cover letters were printed November 16.

2000 questionnaires were shipped to pilots groups, steamship companies and U.S. Naval units as follows:

Shipped November 17 to commercial pilots in the ports listed below

San Diego	50 copies
Long Beach	400
Los Angeles	250
San Francisco	250
Astoria Bar (Columbia River)	50
Port Angeles (Puget Sound)	200
SW Alaska (Valdez)	100

Shipped November 19 to those listed below

U.S. Naval Station, San Diego	100 copies
U.S. Naval Station, Long Beach	100
U.S. Naval Station, Bremerton	50

Additionally 200 copies were hand carried to the U.S. Naval Pilots in San Francisco on November 18, 25 copies were hand carried to the Port Hueneme commercial pilots on November 20, 25 copies were hand carried to the U.S. Naval Pilots in Port Hueneme on November 20.

J.S. Attebery  
Page 2  
December 3, 1984

Finally questionnaires were sent to three U.S. flag tanker operators which have ships that do not use the pilot's services in the above mentioned ports and/or call at unusual coastwise sea berths. They include:

West Coast Shipping (Union Oil)	50 copies
Exxon Shipping	50
Chevron Shipping	100

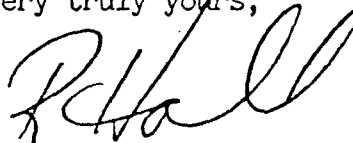
The questionnaires shipped on November 17 went by Federal Express for delivery, Monday, November 19 (except Valdez delivery was November 22). All other questionnaires were sent by U.S. Postal Express Mail, overnight delivery. 500 copies were reserved for future distribution in the event that the study exceeds the anticipated 6 weeks.

Two Radar Observers and I boarded the DIAMOND M. FALCON November 20. The drill unit moved onto location November 21 midday. The first vessel was plotted at 1454 November 21. Since the study began we have been averaging close to one ship per hour.

The cooperation of your staff and those aboard the DIAMOND M. FALCON has been excellent.

We feel that the study is proceeding well and that the document we produce will be an asset to those regulatory bodies overseeing development in the Santa Barbara Channel.

Very truly yours,



Robert L. Hall  
Project Manager

RLH/dls

Date of Passage \_\_\_\_\_ Ship \_\_\_\_\_ Call Sign \_\_\_\_\_

Dead Weight Tonnage \_\_\_\_\_ Propulsion MV SS GT Sea Speed \_\_\_\_\_

( ) Daylight ( ) Darkness Visibility Good Fair Poor Fog  
(over 10) (4-10) (under 4) (1 or less)

Wind speed at time of passage (in knots) and direction \_\_\_\_\_.

Range in nautical miles at which the drilling ship was first plotted on radar. long(10+) medium(5-10) short(5-or less)

Distance in nautical miles at which the drilling ship was sighted visually. long(10+) medium(5-10) short(5-or less)

Time and distance the drilling ship was passed abeam. Time \_\_\_\_\_ Distance \_\_\_\_\_

What distance do you consider to be adequate for safety when abeam of the drilling ship? .1 to .5/ .5 to 1.5/ 1.5 to 2.5 mi/ 2.5 or more miles

Was it necessary for you to maneuver within 5 miles of the drilling ship in order to pass the drilling ship at a safe distance abeam? Yes \_\_\_\_\_ No \_\_\_\_\_

Was it necessary for you to maneuver within 5 miles of the drilling ship in order to safely avoid other traffic? Yes \_\_\_\_\_ No \_\_\_\_\_

STRONGLY AGREE(SA), AGREE(A), UNDECIDED(U), DISAGREE(D), STRONGLY DISAGREE(SD)

\*\*The location of the drilling ship is a hazard to safe navigation under fair weather and good visibility conditions. SA A U D SD

\*\*The location of the drilling ship is a hazard to safe navigation under conditions of reduced visibility. SA A U D SD

\*\*The location of the drilling ship is an aid to navigation. SA A U D SD

It is necessary for safety to have a radar installed on the drilling ship for the watch to monitor approaching traffic. SA A U D SD

It is necessary for safety to have a certified radar observer on the drilling ship to maintain radar plots of approaching traffic. SA A U D SD

It is necessary for safety to have a certified marine \_\_\_\_\_ SA A U D SD