



8182

P.0451, POE

Date Received: 5-6-82  
Item Number: 16a  
Hearing Date: 7-14-82  
Date Adopted: \_\_\_\_\_  
Analyst: MG-C



CONSISTENCY CERTIFICATION AND STAFF RECOMMENDATION

NOTED - WARHURST  
NOTED - DUNAWAY  
NOTED - ALCORN

Consistency Certification No. CC-8-82  
3 and 6 Month Periods End: 8-6-82/11-6-82

APPLICANT FOR FEDERAL PERMITS:

Chevron USA Inc.

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

Minerals Management Service Exploratory Well Drilling Permit; OCS Exploration Plan

ACTIVITY LOCATION:

On the Outer Continental Shelf on OCS Parcel 0451, approximately 6 miles south of Point Arguello in the Santa Maria Basin.

ACTIVITY DESCRIPTION:

Drilling one well on OCS P-0451 to explore for oil and gas from the Zapata Concord, a floating semisubmersible drillship. (Exhibits 1 and 2)

PUBLIC HEARING AND VOTE:

Public hearing and possible action at the Commission's July 14-16 meeting in San Francisco.

STAFF NOTE: CONSISTENCY

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

Applicant's Consistency Certification and Findings. The applicant has submitted a consistency certification for one well on OCS P-0451, stating that the proposed activities described in detail in the Plan of Exploration will be conducted in a manner consistent with California's Coastal Management Program.

I. Concurrence

The Commission hereby concurs with the consistency certification made by Chevron for OCS P-0451 as consistent with the policies and objectives of the California Coastal Management Program.

7/2/82

## II. Findings and Declarations

The Commission finds and declares as follows:

Project Description. Chevron USA Inc. proposes to drill one well on their OCS lease P-0451-1 in the Santa Maria Basin, about 6 miles south of Point Arguello (Exhibits 1 and 2). The Environmental Report submitted with the OCS plan states that onshore support, including boat and helicopter transportation of crew and supplies, would be based in Port Hueneme and the Santa Barbara airport. The well would be drilled in waters 295 feet deep to a well depth of 11,000 feet. Total time at the drill site is estimated at 105-150 days.

B. Protection of Marine Resources. Section 30230 of the Coastal Act requires protection of the marine environment:

Marine resources shall be maintained, enhanced, and, where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Use 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.

Water depths within Chevron's lease P-0451 range from 295 feet to 633 feet. Chevron's lease P-0451 is located within the Santa Maria Basin approximately 6 miles due south of Point Arguello, a haul-out and breeding area for California sea lions and harbor seals (Exhibit 3). Also, several species of seabirds feed and rest in this area and the rocky intertidal areas close to shore. Point Conception, within 12 miles of OCS P-0451, is a rich intertidal area with extensive kelp beds. The Sea Otter Range, located in the northern part of the Santa Maria Basin, is 25 miles from tract 0451 although sightings of sea otters have been made as far south as Purisima Point and even Point Arguello. However, the range and main habitat of the sea otter is still mainly in the area shown in Exhibit 3.

There has been little detailed biological survey work done north of Point Conception, where OCS P-0451 is located in the Santa Maria Basin. While sand or mud substrates often do not support the diversity or numbers of organisms as rocky substrates, these soft bottom areas are still important biologically. Mud or sand substrates can be important spawning or feeding areas for harvestable fish and invertebrates.

There are large expanses of hard substrate within the lease area. The Minerals Management Service (MMS) requires a biological survey on this lease if the proposed drilling would occur within 1000 meters of a rocky outcrop area and if a lessee is proposing to discharge drill muds into the surrounding waters. Chevron is proposing drilling within 1000 meters of a rocky outcrop but is also proposing to containerize the muds rather than discharge the muds overboard. Because of the containerization, no survey is required. Chevron, however, will be performing a biological survey on the lease and surrounding leases later this summer, to locate unique biological communities, after 451-1 is drilled.

The entire length of the California coast is a part of the migratory route of the California gray whale and other species of whales and dolphins. Some of these animals therefore pass in the general vicinity of the lease. In the event of an oil spill, there could be an impact on the endangered whales. Under normal operating procedures, the exploratory drilling will be likely to cause the whales to modify their course during the migration months (November through May) to avoid the drillship. In most cases, though, gray whales travel much closer to shore than this lease area.

In summary, based on the limited information available, while exploratory drilling in OCS P-0451 will cause some short-term disturbance to marine resources, properly executed drilling may not interfere with biological productivity required to be protected by Section 30230. However, because even the best available spill containment and cleanup equipment does not offer adequate protection to these animals if an oil spill occurs, the Commission cannot find that the proposed project is consistent with Section 30230. But analysis in Section I does find the project consistent with Section 30260.

C. Protection Against the Spillage of Crude Oil. Regardless of the precautions taken against well blowouts and resulting spills of crude oil in the open ocean, there is always a risk of this occurring at a drill site. Such a spill may reach the coast of California and damage marine life, scenic areas, and recreational 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.

Chevron has provided onsite equipment and personnel training, and works with oil spill cooperatives that have dedicated oil spill response vessels. (See Appendix A).  
Protection of Coastal Wetlands and Streams. The County of Santa Barbara has expressed specific concerns about the protection of the Santa Maria and Santa Ynez Rivers and the San Antonio and Jalama Creeks if an oil spill threatens these areas. This concern is based on the limited amount of time that oil spill containment and cleanup equipment will function in the waters north of Point Conception, increasing the possibility of these streams becoming contaminated. The County has recommended that Clean Seas be required to locate oil spill booms at the mouths of these waterways to improve the response time to them.

The Commission agrees that provisions must be available for the protection of these streams if they are threatened. However, a high percentage of the time these rivers and creeks may not be open to the ocean. Much of the time that they are open the water is flowing toward the ocean, reducing the likelihood of oil contamination. Under conditions when they are threatened, Clean Seas can have equipment and personnel to the area within 3 to 4 hours. Clean Seas has two fast response units designed specifically for this purpose. They include:

- 1) A 15-foot trailer equipped with small containment boom, a skimmer, a storage bag, absorbents, rakes and shovels; and
- 2) A 2.5-ton truck equipped with a larger boom skimmer, and associated tools.

Additional equipment can be obtained from the larger Clean Seas vans if this becomes necessary.

Other strategies may be necessary to protect these waterways. In many cases the incoming current in the rivers or streams would exceed the capability of the oil containment booms to function. In these situations the stream mouth may have to be closed using heavy earthmoving equipment. This would eliminate additional contamination, and would provide a quiet water situation behind the closure to help recover any oil that has gotten into the stream.

Maximum Feasible Spill Response. The Commission's standard of review is based on the maximum feasible capability to reduce the impacts of a spill, if one occurs. Section 30232 of the Coastal Act requires that effective oil spill containment and cleanup be provided for spills. The Commission cannot find the Plan of Exploration consistent with this policy due to the limited capability of state-of-the-art oil spill equipment. However, Section 30260 of the Coastal Act provides that coastal-dependent industrial facilities can be sited if the adverse impacts are mitigated to the maximum extent feasible.

The Commission finds that the oil containment and cleanup equipment, and measures for response, as provided in the proposed Plan of Exploration and Consistency Certification made by Chevron represent maximum feasible mitigation. Concurrence by the Commission is not an indication of satisfaction with the degree of protection afforded coastal resources by the oil spill containment and cleanup equipment provided. The Commission staff's upcoming oil spill response capability study may indicate the need to update and increase standards for onsite and cooperative oil spill cleanup and containment capabilities. Such findings will be used in future consistency certifications and permit reviews.

D. Commercial Fishing. The Coastal Act requires maintenance of the productivity of the marine environment in Section 30230, quoted in Section B, and in Section 30231. Specifically:

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 . . .

The proposed well is within the Department of Fish and Game designated Fish Blocks 638 and 643 . . . The primary species of fish caught are Boccacio, Dover sole and shrimp. Shrimp beds, a recent development in the area, extend from Point Arguello to Point Buchon.

The staff, in working with four representatives of the commercial fishing industry, an official of the Department of Fish and Game, John Richards of the University of California Cooperative Extension and several members of the oil industry, including Chevron, have established a process for communications between the oil industry and the fishermen in review of specific exploratory drilling proposals. The process includes early contact with three fishermen's associations, one in Morro Bay, one in Avila Beach, and one in Santa Barbara, and by the oil industry on a specific Plan of Exploration. Comments from the fishermen on the proposal are then sent to the staff. If problems arise, a meeting of the above group would be convened to try to resolve the issues presented. The fishermen have also identified information they need from the oil companies in assessing potential impacts. Chevron has provided this information.

The fishing industry has found that the proposal by Chevron to drill one well on OCS P-0451 does not present a conflict to their trawling activities. The DFG concurs in the responses from the fishermen. Chevron has agreed to drag nets over the drillsite, if needed, after drilling to collect any debris and muds that may have collected on the sea floor, to remove potential obstructions to trawlers. This dragging will only be done if found by the MMS, the fishermen and the Executive Director to have been a useful technique in the operations currently underway by Phillips on OCS P-0396. In no case will the rocky areas within OCS P-0451 be dragged. DFG continues to make the point that discharge of drill muds and cuttings could adversely affect the benthic biota in the immediate area of the drill site. Because Chevron will be containerizing the muds instead of discharging them, DFG's concerns would not apply.

Because the drilling would not substantially interfere with commercial fishing activities and because Chevron will not be discharging drilling muds, the Commission finds that the proposed activities would be consistent with Section 30231 of the Coastal Act. \*

E. Onshore Support Facilities. Section 30250 of the Coastal Act states that new industrial development "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."

Chevron has stated in its Environmental Report that it is proposing to use Port Hueneme and Santa Barbara airport for all its support activities--all crewboat, supply boat and helicopter trips to service the drillship crews will originate and return to these areas. Although this individual drilling proposal will not affect onshore use in the Santa Maria Basin area, the increase in drilling in this basin may lead to the need for an additional service base to service the Basin and the western Santa Barbara Channel. The staff is currently working with the counties of Santa Barbara and San Luis Obispo and the oil industry to study alternate sites for an additional service base if needed.

F. Geologic Hazards. Section 30253(1) of the Coastal Act states that new development shall minimize risks to life and property in areas of high geologic . . . hazard". The Division of Mines and Geology and the State Lands Commission routinely review OCS Plans of Exploration to determine whether the proposed drilling program can be safely conducted in view of the geologic conditions of the lease and well site. Both agencies have reviewed the Chevron proposal and have concluded that no geologic hazards are present that would pose a risk to life or property in the area of the operations, and that the drilling program is a safe one.

G. Air Quality. Section 30253(3) of the Coastal Act states that new development "shall be consistent with requirements imposed by an air pollution control district or the State Air Resources Control Board as to each particular development."

The Air Resources Board states that data on meteorology and pollutant transport in the Santa Maria Basin are not as complete as for the Santa Barbara Channel. However, based on available information, the nitrogen oxides emissions from the exploratory drilling will have a significant adverse onshore impact on air quality. Nevertheless, the ARB has stated that it does not oppose the grant of concurrence by the Commission for this OCS Plan because of: Chevron's participation in and commitment to the Air Quality Task Force study to identify means to reduce nitrogen oxides emissions, and 2) Chevron's, along with eight other companies, provisions of funds to allow the continued operation of a monitoring station in San Luis Obispo County. The project, managed by the San Luis Obispo County Air Pollution Control District, is designed to determine baseline air quality in the coastal zone which will qualify the effects of offshore operations on onshore air quality.

In accordance with the Commission's January 6, 1982 resolution limiting oil companies to submittal of one well per month for OCS Plans of Exploration, Chevron is submitting OCS P-0451-1 as its April submittal.

The draft Final Report issued by the Air Quality Task Force is now available for public review and comment. The Commission will be holding a public hearing on the report at its second meeting in July.

The Commission finds that the proposed project is consistent with Section 30253 of the Coastal Act and the Coastal Management Program because Chevron has complied with the January 6, 1982 resolution and has shown good faith in meeting the objectives of that resolution.

H. Vessel Traffic Safety. The proposed well is beyond 500 yards of an existing or proposed Vessel Traffic Separation Scheme and therefore no consistency review by the Commission is required for the U.S. Army Corps of Engineers permit to conduct exploratory drilling. (Commission resolution, August 1980) However, because of the lack of an established Vessel Traffic Separation Scheme north of Point Conception and the existing vessel traffic travelling to and from ports in the Santa Maria Basin, the Chevron has agreed in writing to install a 24-hour radar alarm system on its drilling vessel to alert drillship personnel and oncoming vessels of each other's position.

I. Industrial Development. Coastal-dependent industrial development such as offshore oil drilling must first be tested under all applicable policies in Chapter 3. If the proposal does not meet these policies, development is analyzed under the less stringent requirements of Section 30260. The proposed development does not meet Sections 30230 or 30232 of the Coastal Act. Therefore, the three tests of Section 30260 apply:

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.

The first requirement of Section 30260 is that the applicant must demonstrate that alternative locations for the project are either infeasible or more environmentally damaging. Chevron could directionally drill from other points on this lease to reach the same targets. These other locations would be more environmentally damaging because of the extended time and risk that would be involved in directional drilling. The Commission finds, therefore, that the project meets the requirements of the first test.

The second requirement concerns the public welfare. Clearly it is 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. Commercial fishing activities and facilities, biological resources, and recreational uses also must be considered as significant aspects of the public welfare. The proposed well would not be located within a designated biologically sensitive area or sanctuary, nor would it affect beach use unless an oil spill occurs. The drilling would, however, directly conflict with commercial fishing. Because Chevron has agreed to drag the well site after drilling, if needed, and has coordinated with fishermen in selecting the

exact drilling time and location, the Commission finds the proposal meets the requirements of the second test.

The third requirement is that adverse impacts be mitigated to the maximum extent feasible. Chevron's dragging of the site, if needed, and coordination with fishermen, and its use of the best available oil spill control and containment equipment fulfill this third test. It should be noted, however, that the Commission will continue to examine the issue of oil spill equipment and may require additional protection in the development stage.

The Commission therefore finds that the proposed well meets the three requirements of Section 30260 and is consistent with the CCMP.

#### 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 in 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.

*M. Clean*



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. Oxy 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. Oxy 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 are encouraged to send personnel to these sessions. Staff members from the Coastal Commission and the Department of Fish and Game will be present at an upcoming Clean Seas training exercise with Mr. Clean II. This training exercise will include transit to offshore drilling operations and operation of the oil spill equipment located onboard the vessel.

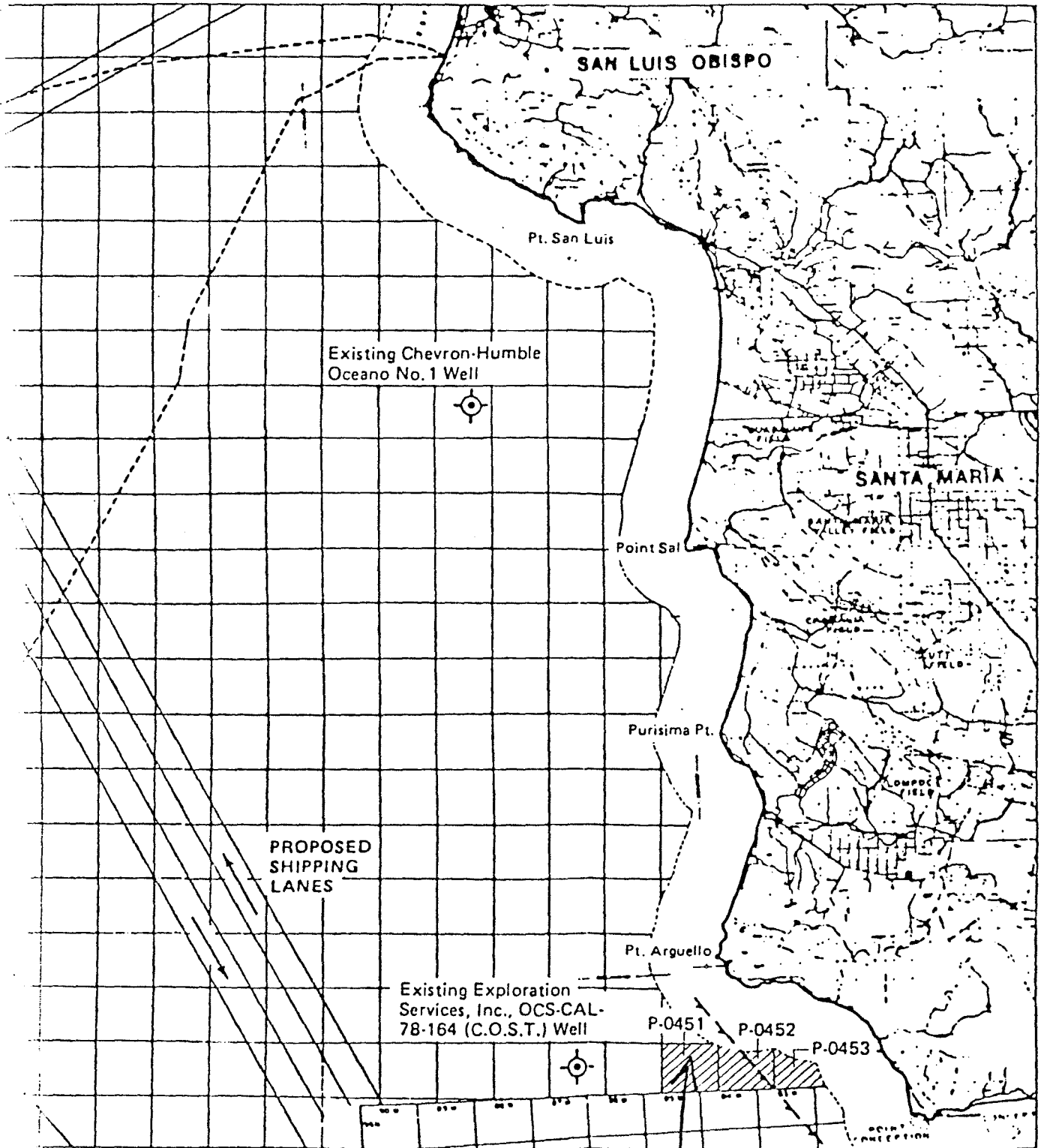
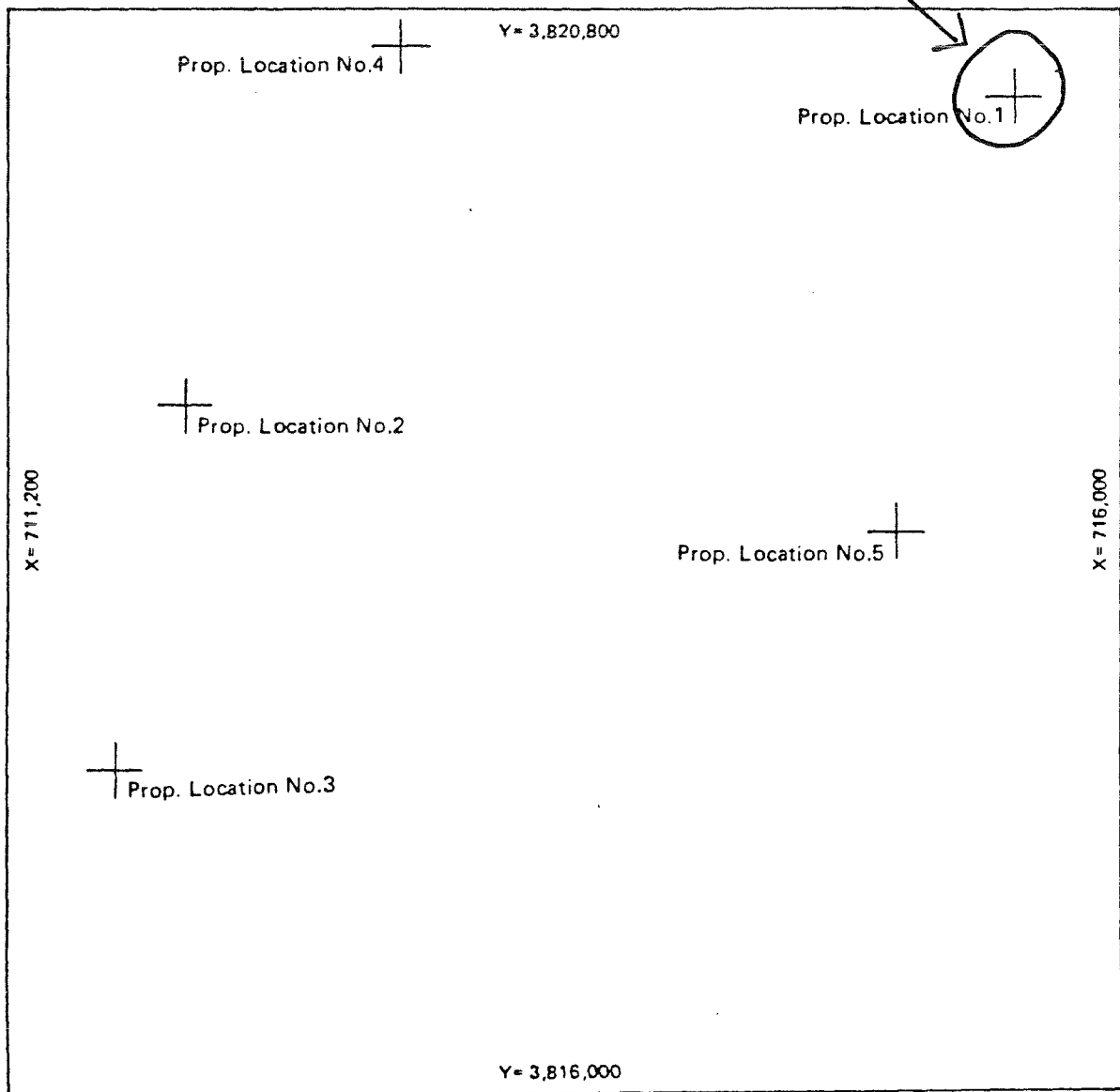


Figure 2-1. LOCATION MAP

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PROPOSED SITE



Source: Chevron, U.S.A.

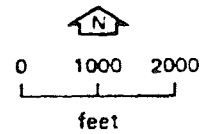


Figure 2-2. PROPOSED WELL LOCATIONS—LEASE P-0451

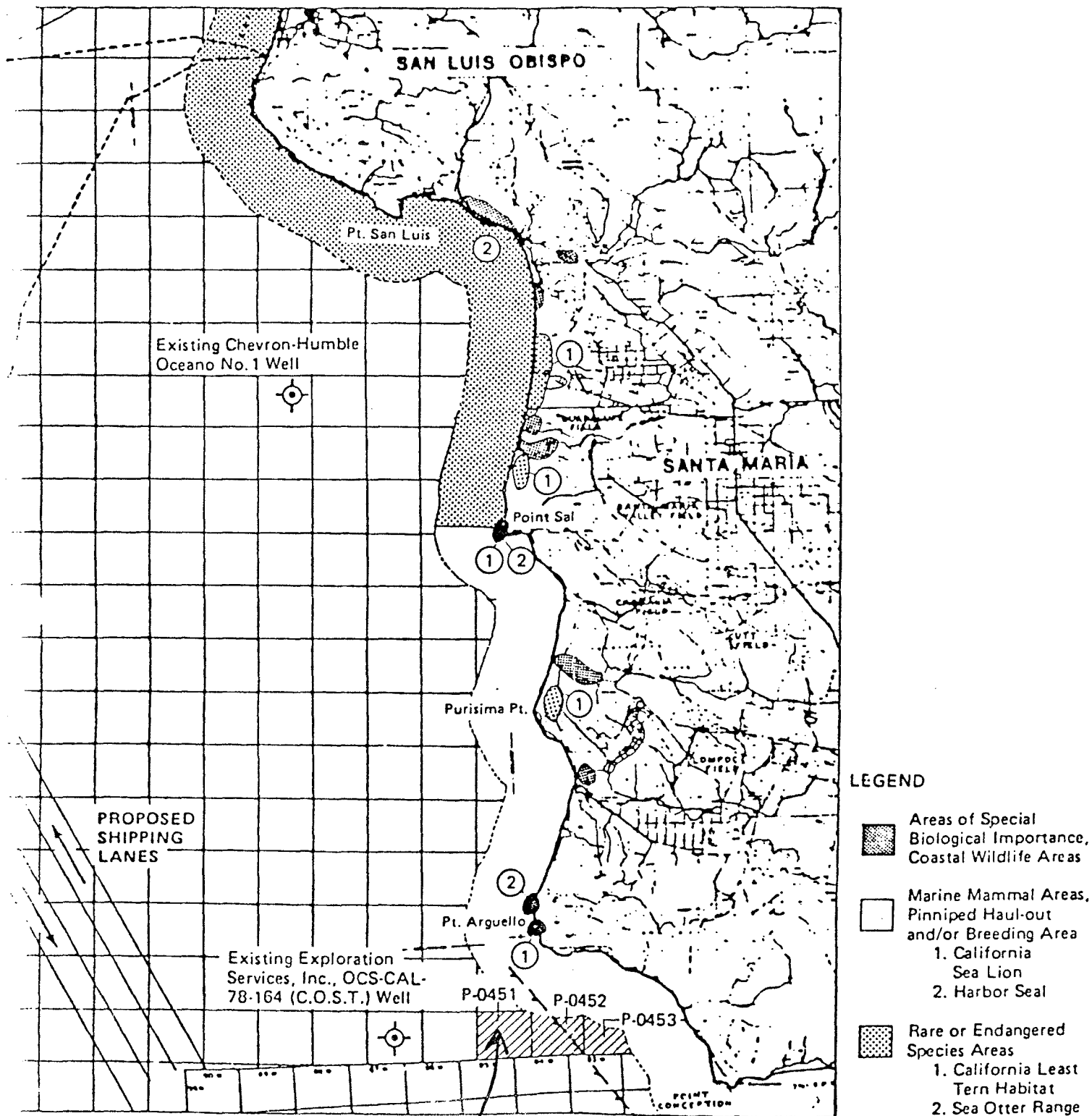


Figure 3-8. ECOLOGICALLY SENSITIVE AREAS IN THE VICINITY OF LEASES P-0451, P-0452, AND P-0453

0451