

Blue Binders REC'D 8/30/85
AT HEARING
E. J. ...

State of California, George Deukmejian, Governor

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

Peter Douglas, Executive Director

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Staff: Suzanne Rogalin
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REGULAR CALENDAR

FINAL STAFF RECOMMENDATION ON PERMIT AND CONSISTENCY CERTIFICATION AMENDMENT

PROJECT DESCRIPTION

Applicant: Union Oil Company of California

Project Location & Description: Permit for 3 pipelines (oil, gas, & produced water return line) through state waters from Platform Irene on OCS P-0441; pipeline route to shore with landfall approximately one half mile north of the Santa Ynez River on Vandenberg Air Force Base (VAFB). Permit also includes a submarine power cable from a substation at Surf through state waters to Platform Irene. Consistency Certification Amendment for pipeline rerouting on Vandenberg Air Force Base. (See Exhibit 1 & 2))

Substantive File Documents: See Appendix 1.

STAFF NOTE

This staff report contains recommendations for both a coastal development permit and a consistency certification amendment. On January 22, 1985, the Commission concurred with Union Oil Company's Consistency Certification (CC-36-84). The certification included Platform Irene on OCS P-0441; three subsea pipelines (oil, gas, and produced water return line) from platform to shore; continuation of pipelines onshore to a new heating, dehydration and pumping facility at Lompoc; a one-quarter acre electrical substation at Surf and a submarine power cable from the substation to the platform. In its Final Staff Recommendation on that consistency certification, staff noted:

Coastal Commission staff, Minerals Management Services (MMS), and VAFB have agreed that if, after the environmental work for the EIR/EIS is completed, there is a substantial change in the final pipeline alignment from Union's preferred route presented in the DPP, then either VAFB or MMS will submit the new route to the Commission as a revised consistency determination or certification.

Subsequently, in the process of completing an Environmental Impact Statement/Environmental Impact Report, the proposed onshore pipeline route has been relocated approximately 2,000 feet northward. This proposed relocation is included in this consistency certification amendment.

Union Oil Company has applied for a coastal development permit for the portion of the submarine pipelines and power cable from Platform Irene to shore within state waters.

Commission approval, modification, or rejection of this project will require separate actions on the two project elements: the consistency certification amendment and the coastal development permit application.

STAFF RECOMMENDATION

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

I. APPROVAL WITH CONDITIONS AND CONCURRENCE

The Commission hereby grants, subject to the conditions below, a permit for the proposed development on the ground that, as conditioned the development will be in conformance with the provisions of Chapter 3 of the California Coastal Act and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act. The Commission concurs with the consistency certification amendment made by Union Oil Company of California for its Development and Production Plan (DPP) for the Point Pedernales Field because, while the DPP affects the coastal zone, it does meet the policies of the approved California Coastal Management program (CCMP), and is therefore consistent with the CCMP. Specifically, the Commission finds that Union's proposed project includes adequate information to permit an assessment of its probable coastal zone effects, including cumulative impacts.

For purposes of each of the specific findings made in this document the project description in the DPP, including all the mitigation measures identified therein, constitute mandatory conditions of the Commission's permit approval. The project description in the DPP, including such mitigation measures, constitutes the basis for each of the findings regarding consistency.

II. FINDINGS AND DECLARATIONS

The Commission finds and declares as follows:

CCC Binder
-36-84

CALIFORNIA COASTAL COMMISSION

631 HOWARD STREET, 4TH FLOOR
SAN FRANCISCO, CA 94105
(415) 8555



September 23, 1985

Noted - Mason

Noted - Dunaway

Mr. Richard S. Gillen
Union Oil Company of California
P.O. Box 6176
Ventura, CA 93006

Dear Mr. ^{Dick}Gillen:

As you know, on August 30, 1985, the California Coastal Commission voted 12-0 to concur in Union Oil Company's consistency certification amendment for pipeline rerouting in Vandenberg Air Force Base for pipelines from Platform Irene on OCS P-0441 to Union's proposed heating, dehydration and pumping facility at Lompoc. The Commission found that the proposed amended project would be consistent with the California Coastal Management Program. The basis of the decision is set forth in the attached Consistency Certification and Staff Recommendation adopted by the Commission.

Sincerely,

Suzanne Rogalin

SR/cs

Attachment

cc: Peter Tweedt, OCRM
William Grant, MMS



A. Project Description and History

On January 22, 1985, the Commission concurred with Union Oil's Consistency Certification (CC-36-84) to begin development of the Point Pedernales Field by:

- Installing a 72 well slot drilling and production platform (Irene) on OCS lease P-0441, approximately four and one-half miles west of Point Pedernales;
- Installing three subsea pipelines for transportation of oil, gas, and produced water leading from the platform to shore;
- Building a pipeline from shore to a facility at Lompoc;
- Constructing an onshore separation and dehydration facility on existing Union owned land at Lompoc.

Platform Irene was installed in mid-August 1985. Union's three proposed associated pipelines are for: 1) crude oil with entrained natural gas and water, 2) associated gas, and 3) to return separated water from the Lompoc separation facility to Platform Irene for disposal. The Point Pedernales Field is being developed under a unit concept similar to the Point Arguello Field platforms previously approved by the Commission. Platform Irene will be the main platform through which Exxon's Platform Independence (formally Project Shamrock, approved by the Commission March 12, 1985) and any future platform in the field will feed its production. The pipelines between Platform Irene and the processing facility at Lompoc, as well as that facility, are sized to carry the full production of the Point Pedernales Field. The electric power cable to the platform will have the capacity to provide power for other platforms that may be installed within the area.

Union's consistency certification amendment proposes relocating the onshore pipeline on Vandenberg Air Force Base about 2,000 feet northward. (See Exhibit 2)

B. COASTAL DEPENDENCY AND RELATION TO INDUSTRIAL DEVELOPMENT

Section 30101 of the Act defines a coastal dependent development or use as that which "requires a site on or adjacent to the sea to be able to function at all." Ports, commercial fishing facilities, offshore oil and gas development, and mariculture are specifically defined in the Coastal Act as coastal dependent, although not all activities or facilities associated with such development would necessarily be considered coastal dependent uses. Coastal dependent developments are given priority over other development on or near the shoreline.

A special provision of the Act, Section 30260 (and Sections 30261 and 30262, which are incorporated within 30260 by reference) provides for further consideration of coastal dependent industrial facilities if they fail to meet the policies contained in Section 30200-30255 of Chapter 3. Under Section 30260, a coastal dependent industrial facility may be permitted if: (1) there are no feasible less environmentally damaging locations for the project; (2) denial of or objection to the project would adversely affect the public

welfare; and (3) adverse environmental effects are mitigated to the maximum extent feasible. Section 30260 therefore provides special standards for coastal dependent facilities that otherwise fail to satisfy Coastal Act requirements.

Offshore oil and gas extraction is by its very nature "coastal dependent" because the operations to develop the petroleum resources take place where the resources are located, underneath the sea. In this particular project, the Commission finds that the pipelines between Platform Irene and the processing facility and the power cable between the platform and the electrical substation are coastal dependent industrial facilities which may be evaluated under the overriding considerations provided in Section 30260 of the Act, when they are found to be inconsistent with other Coastal Act policies.

C. COASTAL ACT ISSUES

1. Transportation of Crude Oil

Section 30232 of the Coastal Act states that:

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

Sections 30230 and 30231 of the Act require protection of the biological productivity of the marine environment, and Section 30253 requires protection of air quality. Section 30260 provides for possible approval of coastal dependent industrial facilities (which includes offshore oil and gas development) not otherwise consistent with Chapter 3 of the Coastal Act, if among other provisions, the adverse impacts are mitigated to the maximum extent feasible. Section 30262 requires consolidation to the maximum extent feasible and legally permissible of new or expanded oil and gas facilities. These Coastal Act provisions mandate the use of the most environmentally protective method of oil transportation.

The Commission has made detailed findings in past federal consistency and permit actions which demonstrate the superiority of onshore pipeline transportation of crude over transportation by tanker because of the reduced risk of oil spills and reduced air pollutant emissions. Union, Exxon, and their partners have committed to transport the oil produced from Platform Irene and Independence by pipeline consistent with Santa Barbara County's oil transportation policies. (These policies were approved as Local Coastal Plan and Coastal Zoning Ordinance amendments by the Coastal Commission in September 1984.) These assurances of pipeline transportation provide the maximum feasible mitigation and consolidation for the project. The Commission's finding of conformance with the Coastal Act is contingent upon these commitments to transport Platform Irene and Independence crude by pipeline consistent with the County's Local Coastal Program policies. Thus, the development is mitigated and consolidated to the maximum extent feasible and is therefore consistent with Section 30260 of the Coastal Act.

2. Containment and Clean-up of Crude Oil Spills

Section 30232 of the Coastal Act, cited previously, requires protection of the marine environment from any spilling of crude oil, gas, petroleum products, or other hazardous substances. For any development or transportation of these materials, the section further requires "effective containment and clean-up facilities and procedures..." to be provided for spills that do occur.

The Commission interprets the word "effective" to mean that spill containment and recovery equipment must have the ability to keep oil off the coastline. Unfortunately, currently available equipment does not have the capability to clean-up large oil spills in the open ocean. While oil spill clean-up equipment can function with about 50 percent recovery efficiencies in calm seas, recovery efficiencies are drastically reduced in moderate or rough seas, thus limiting or eliminating the ability of the equipment to recover oil. Data on seastates in the area of the the subsea pipeline indicate that waves are greater than nine feet over 50 percent of the time for seven months per year. Data from nearby proposed platform locations states that waves exceed nine feet 95 percent of the time in January and February. Because of these conditions, the Commission cannot find that the proposal is consistent with Section 30232 due to the limited effectiveness of existing oil spill equipment in rough open ocean areas.

As described in Section B of this report, the subsea pipelines component of the project is found to be a coastal dependent industrial facility and therefore is given additional consideration under Section 30260 of the Act. Oil spill containment and clean-up equipment, including response time and contingency planning, associated with the pipelines to shore, must provide maximum feasible mitigation for the project to be consistent with Section 30260.

An oil spill from the subsea pipeline could seriously affect marine resources. According to Union's Oil Spill Contingency Plan, oil spilled from Platform Irene would move offshore in the general direction of the Channel Islands most months of the year. According to Exxon's Oil Spill Contingency Plan, oil spilled from Platform Independence would move offshore in the general direction of the Channel Islands in the summer months and onto the mainland the rest of the year. However, drift bottle studies (1973) performed by the Scripps Institute of Technology have shown a tendency for oil movement north during some months, thus threatening the sea otter range. The oil spill trajectories used during the Puerto Rican oil spill predicted southwesterly oil movement, but the oil ended up going in the opposite direction. Thus, although trajectory analysis provides a good planning tool, caution must be exercised in depending on the information.

If oil does contact the islands or the sea otter range, the feathers of birds and the fur of marine mammals would be fouled. Birds, mammals, fish and invertebrates could ingest the oil. Both fouling and ingestion can result in the death of the animals. Commercial fish species could become oil-tainted and therefore could not be sold by the commercial fishermen. Depending on the extent of a spill, kelp beds, wetland areas, streams, and rocky intertidal areas could be damaged. The southern sea otter, a threatened species, is not now a resident of the area, but could move into the kelp beds in the future. According to the Fish and Wildlife Service the sea otter population ranges from Pt. Ano Nuevo to the mouth of the Santa Maria River. The sea otter is

especially susceptible to injury or death from oil contact. Therefore, it is essential that Union provide the maximum feasible mitigation measures for response to oil spills.

To provide the maximum feasible response time with the most appropriate equipment, Union is planning with other oil companies to locate a large spill response vessel operated by the oil spill cooperative Clean Seas, at or near the site of oil operations. This vessel will be equipped with major open ocean oil skimmers, at least 3,000 feet of oil containment boom, an onboard boat to assist boom deployment, adequate oil storage capacity, dispersant supplies and application equipment. This boat will provide an onsite capability which exceeds the Commission's standard equipment requirements. However, if this vessel cannot be onsite by the time operations are to begin, Union will provide a large vessel fully equipped with boom and other appropriate oil recovery equipment until the new vessel is available.

Union has committed to providing additional information as to what type of dispersant can function most effectively on the type of oil they will produce, and to participate in effectiveness and toxicity testing of dispersants, prior to the operation of platforms within the Point Pedernales field. Union will encourage the federal and state governments to license a new dispersant (Exxon's Corexit 9550) which appears to be more effective on their oil. When it is licensed, Union or Clean Seas will stockpile it.

Based on Union's commitment to provide: (1) adequate onsite oil spill containment and clean-up equipment, including open ocean booms, skimmers, sorbents, and deployment vessels; (2) adequate oil spill containment and clean-up equipment and procedures for larger spills; and (3) adequate dispersant information or an approved dispersant use plan, the Commission finds that Union will provide the maximum feasible mitigation for oil spill impacts as required by Section 30260(3).

3. Marine Resources

The Coastal Act requires the protection of marine resources in Section 30230-30236. Section 30230 of the Act states:

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 healthy populations of all species of marine organisms adequate for long-term commercial, recreation, scientific, and educational purposes.

Section 30231 of the Act 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 proposal raises significant marine resource issues under these Coastal Act sections because the development plan will result in the following: (1) disturbance of marine mammals and other marine organisms from pipelines and construction equipment; (2) increased risk of oil spills; and (3) adverse effects on both the commercial and sport fishing industry (discussed further under part D. 4 below).

a. Resources of the Point Arguello - Point Conception Area.

The prevailing ocean currents meet at Point Conception, creating a complex hydrographic regime. Relatively large numbers of species terminate their north-south ranges at or near Point Conception and the offshore islands. Consequently, this region contains species associated with both of the major eastern north Pacific biotic provinces: the cold and warm temperate. The region is also thought to support endemic species adapted to this transition area.

Due to its remoteness and to frequently severe weather conditions, the Point Arguello/Point Conception area has been subjected to relatively little human degradation compared to most of the coastal and marine communities in the Southern California Bight. This factor, combined with the hydrogeographic factors discussed above, contributes to a diverse and abundant coastal and marine fauna assemblage.

The open water, shore and island areas surrounding the project support marine mammals, seabirds and a healthy fishery. The coastal shallow water areas support large kelp beds and productive intertidal and subtidal communities. Kelp beds and rocky outcroppings provide excellent habitat for abalone. Large concentrations of intertidal abalone have been recorded south of Rocky Point, for example. There are harbor seal haul-out areas west of the Point Arguello Boathouse, at Jalama, and at Point Conception. Several species of seabirds nest at Point Arguello, Rocky Point, and Point Conception. Gray whales pass through the area twice each year during migration. The endangered California brown pelican is often found feeding in the area.

The Union proposal for subsea pipelines presents numerous possibilities for disturbance and damage to these marine resources.

b. Marine Biological Survey of Platform Irene Pipeline Route.

The environmental impacts on benthic communities which are always associated with installation of pipelines have been described in the Commission's findings on Chevron's Platform Hermosa (CC-12-83) and Texaco's Platform Harvest (CC-27-83), which are incorporated by reference.

A biological characterization of Union's proposed pipeline and powercable corridors was undertaken by McClelland Engineers during September 1983. Approximately 39,000 feet of the more than 50,000-foot corridor occurs in state waters, the remainder being in Lease P-0441. According to McClelland (1984), the habitat and biota observed in this survey were not unique to this area and it was generally apparent that there was a similarity of species compositions with surveys conducted in the Point Conception and Point Arguello areas. Most of the biota recorded from this survey are expected to have broad geographical ranges. Those species that may represent endemic species from

the "California Transition Zone" are expected to exist along the entire range (approximately 300 miles) considered to comprise the zone.

The proposed pipeline and power cable corridor in the nearshore area is over a region of predominately dense packed sand. The pipeline corridor was rerouted to the south to bypass a rocky area. Repopulation of the disturbed areas should occur after completion of construction activities with the exception of the area directly beneath the pipelines. The nearshore waters where the pipeline and power cable come ashore is a very high energy environment. The pipelines and power cable will therefore be weighted and buried. Their burial will result in an impact to disturbed infaunal species. However, due to the low population densities of the biota in this nearshore soft bottom areas, impacts should be insignificant.

c. Disturbance to Marine Mammals from Construction Activities

Construction boats could affect marine mammals (especially gray whales) by collisions or disturbance of migration patterns. The California gray whale moves through the Point Arguello area twice each year, in the early winter and spring months. The northward migration of gray whales from their winter calving lagoons in Baja California and mainland Mexico to their summer feeding grounds in Alaska is of great significance, as it includes females that have recently conceived as well as new calves of the year. These mothers and calves are the most susceptible to disturbance. Noise and collision disturbance is therefore a seasonal impact which Union has agreed to mitigate by limiting all offshore construction activities to the months of May through November to avoid the peak migration period.

In addition, Union has agreed to cooperate with the Fisheries and Environmental Training Program and the Western Oil and Gas Association to improve, if necessary, the information presented in the program on gray whales and the avoidance of any harassment.

The Commission finds that with these mitigation measures, it can find that Union has included maximum feasible mitigation measures to protect marine mammals. Contingent upon the fulfillment of these mitigation commitments, the project is consistent with Section 30260 and the CCMP.

4. Commercial Fishing

Coastal Act policies which protect commercial fisheries and associated commercial fishing industries are contained in Sections 30230, 30231, 30234 of the Coastal Act. Sections 30230 and 30231 require that development sustain the biological productivity of all marine species for long-term commercial purposes. These policies also require protection of areas with special biological significance. Together these sections require marine habitats and species to be protected and call for special protection of commercial uses which depend upon these resources.

The Coastal Act also requires the consideration of social and economic impacts of proposed development. In Section 30001(c) the legislature declares that protection of marine resources and fisheries promotes the public health, safety, and welfare. Section 30001.5 requires the Commission to take into

account, "... the social and economic needs of the people of the state." Section 30260 also requires the Commission to consider the public welfare.

The effects of a project such as this upon the state's commercial fishing industry are detailed in the Commission's findings on Union's Platform Irene (CC-36-84).

The portion of the pipeline that would be in state waters, would be located almost exclusively in Department of Fish and Game (DFG) fish block 637, according to the Point Pedernales EIS/R (Exhibit 3). A small portion of the pipeline covered by this permit will be located in block 644. DFG catch information for block 637 indicates that major fisheries include trapping for crab, and set gillnetting and hook and living for rockfish. Within State waters, north of Point Arguello, trawling for all species is prohibited.

The Department's comments on the Platform Irene consistency certification add that gillnetting for halibut occurs in the area, and that few fishermen trap for crab in this area because of its distance from nearby ports.

Construction of the pipeline could impact fishing activities by blocking access to traditional fishing areas during construction and disposing of project related debris in the fishing areas. To minimize these conflicts Union has included as part of its project: (1) designing and constructing the pipeline protrusions so that they will be shrouded; (2) using pipeline installation methods which eliminate or minimize anchor scarring; (3) using pipelines with a minimum of surface obstructions; (4) conducting post-construction surveys within the pipeline construction zone; (5) removing all artificial obstructions related to pipeline construction activities; (6) notifying commercial fishermen of the schedule and locations of construction activities through the Santa Barbara Marine Advisory Program Newsletter and the Notice to Mariners; 7) and using support boats routes and mooring areas adopted by the Joint Committee in the Santa Barbara Channel Oil Service Vessel Corridor Program.

The County of Santa Barbara has required that Union contribute to a local fishermen's contingency fund and fisheries enhancement fund. The contingency fund will be used as a loan program to provide speedy reimbursements for gear loss or damage while fishermen are waiting for their federal payments and for claims which are not covered by the the federal program. The enhancement fund will provide for capital and operating expenditures for enhancing the fishing industry's ability to catch, land, and process commercially valuable fish stocks. Programs which could be funded include fisheries enhancement, pier, dock, and harbor improvements, promoting marketing of local fish resources, and providing seafood hoisting equipment. Union is required, by the county, to contribute \$5,000 for the offshore construction activities, and \$3,250 annually for the life of the project, during production. The Commission staff will cooperate with the county staff, and the administering agencies to ensure that the funds will be designed to mitigate impacts, consistent with the Coastal Act.

In addition to the mitigation measures described above, the Commission also requires that Union moor its support boats during construction within the construction zones to contain the impacts of these activities; and that it submit results of the post construction survey to the Executive Director 15

days after completion; and that it provide 30 day notice of its construction activities to ensure adequate notification to the fishermen; and that it seek an amendment to this permit if it chooses to use a support boat base not identified in the coastal development permit application. These conditions are being imposed given the level of impacts identified in the Point Pedernales FEIS/R.

In addition to analyzing individual impacts of proposed development the Commission also analyzes the effects of past, present, and future development in accordance with Section 30250 (1) of the Act. As explained in CC-7-85 (Exxon-Platform Shamrock, the past and future lease sale activities, coupled with proposed development in the Channel and the Basin could cause a significant cumulative effect on trawl and gill net fisheries. The EIS/R for the Point Pedernales development concluded that offshore oil and gas development would significantly impact commercial set gear, trawl, gill net, and pipeline snaps are created, or if platforms are sited near canyon heads or are clustered. The Point Pedernales EIS/R recommends "...phasing of multiple project construction and operations activities to avoid overlapping pre-emption of important fishing grounds" (6.10-3)

Since the mitigation measures will reduce but not eliminate the impacts, the Commission finds that the project proposal will indeed impact commercial fishing operations. Trapping, and hook and lining, gillnetting activities will be displaced during construction of the pipeline.

Although expected impacts from this project may be small, future development in the Santa Maria Basin and Santa Barbara Channel may compound the impacts on the fishing operations and fishing-related businesses. Thus, the Commission finds that the project is inconsistent with Sections 30230, 30231, 30234, 30250, 30255, and 30703 of the Coastal Act.

The Commission found in Coastal Dependency and Relation to Industrial Development, above, that subsea pipelines are coastal dependent industrial facilities. Thus, although the proposed development does not comply with the Coastal Act sections cited above, because the project is coastal dependent, it may be further analyzed under the requirements of Section 30260, quoted previously.

Relocation of the pipeline could adversely affect its geologic stability. Platform Irene and Independence producers are committed to using pipeline transportation of their crude to market, if pipelines are available. Other available methods would only be used if pipelines are unavailable or during emergencies. Therefore, although adverse environmental consequences will occur, the Commission may in its discretion find the project consistent with Section 30260(1) of the Act, since Union has chosen the least environmentally damaging alternative.

As stated above, Union is required to mitigate the pipeline construction and operation impacts which significantly decrease the adverse effects on the commercial fisheries. Only upon the fulfillment of these commitments can the project be found to meet the requirements of 30260(3) and the CCMP.

Although the Commission finds that the project is mitigated to the maximum extent feasible, it remains concerned with the serious environmental impacts on the fishing industry that will occur, particularly in light of future development.

5. Geologic Hazards

Section 30253(1) and (2) of the Act states that:

New development shall:

- (1) Minimize risk to life and property in areas of high geologic flood, and fire hazard.
- (2) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.

Section 30262 of the Act states in part that:

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

(a) The development is performed safely and consistent with the geologic conditions of the well site.

(b) Such development will not cause or contribute to subsidence hazards unless it is determined that adequate measures will be undertaken to prevent damage from such subsidence.

Where appropriate, monitoring programs to record land surface and near-shore ocean floor movements shall be initiated in locations of new large-scale fluid extraction on land or near shore before operations begin and shall continue until surface conditions have stabilized. Costs of monitoring and mitigation programs shall be borne by liquid and gas extraction operators.

Section 30263 (a)(4) of the Act further states that:

New or expanded refineries or petrochemical facilities not otherwise consistent with the provisions of this division shall be permitted if... (4) the facility is not located in a highly scenic or seismically hazardous area, on any of the Channel Islands or within or contiguous to environmentally sensitive areas...

Three submarine pipelines and an electric power cable will extend from Platform Irene to the landfall located approximately 9.5 miles to the northeast. The pipelines will cross the intertidal area and proceed to the southeast through Vandenberg Air Force Base. An electric power cable will follow the pipeline alignment to a point approximately 4,000 feet from shore and then tend due east to landfall at Surf, which located at the southern end of Ocean Park Beach.

Seafloor gradients within the project area are less than 2 degrees. The seafloor is generally smooth with some isolated depressions of up to 15 feet. No exposed hardbottom areas are located along the pipeline route. However, the pipeline has been routed so as to avoid hardbottom outcrops in the nearshore area. A detailed discussion of seismicity, faulting, and shallow gas zones is

contained in the Commission's findings on Union's Platform Irene consistency certification CC-36-84. Soils along most of the pipeline route have a low potential for liquefaction under seismic loading. However, that portion of the pipeline situated on sandy material near the pipeline landfall is more likely to liquefy during an earthquake. This problem will be mitigated by engineering design so as to enable the pipeline to remain buoyant should the surrounding sediments liquefy due to seismic shaking.

All three pipelines will cross the intertidal zone at the same location at VAFB. Union began a detailed beach profiling program in January 1985. The purpose of this program was to determine the maximum depth of scour represented by the winter beach profile. The study was necessary to ensure that the pipelines would never be exposed during their intended design lives. The installation of a large groin at this landfall location could have a dramatic impact on littoral transport within the Santa Ynez River Littoral Cell. Examination of beach level survey data and cross sections showing the elevations of the pipelines across the intertidal zone indicate that the pipelines will be at least 6 feet below the surveyed lowest winter profile. Consequently, the lines should not be exposed to wave action during their intended design life. Therefore, the Commission finds this project to comply with Sections 30253 and 30262 of the Coastal Act.

The platform power cable will cross the intertidal zone at Surf. A small dune field exists at the site and it will be necessary to disrupt the dune area at the point where the cable route passes through the dune area. These dunes are approximately 15 feet in height, have a thirty foot base, and are minimally vegetated. Union's installation techniques will be as follows. (DPP, p.2-32):

1. A pulling line, brought ashore by small boat, is used to pull the cable through the beach zone to the substation.
2. Within the surf zone, the cable is buried to a depth of 6 feet by jetting.
3. Across the beach to the substation, the cable is buried at a depth of 3 feet using a backhoe.
4. The cable will be placed under the Southern Pacific Railroad Tracks in a previously installed conduit.
5. Prior to back filling, red concrete will be poured over the cable for its protection and identification in the event that any future excavations are made in the area.
6. Replacement of vegetation removed during the placement and burial of the cable.

The Commission's review of offshore geotechnical studies have revealed no major geologic hazards that would preclude development of the Pedernales Field at the proposed pipeline route. No geologic constraints exist at the within the pipeline corridor. Therefore, the Commission finds that the proposed pipeline corridor meets the requirements of Section 30253 and 30262 of the Coastal Act as they relate to geologic hazards.

6. Land Resources

a. Onshore Impacts from Pipeline Construction

The pipeline route passes through the boundaries of Vandenberg Air Force Base.

In accordance with NOAA's consistency regulations (15 CFR 930.77), Union's DPP must contain information assessing probable coastal zone effects of the platform and "associated facilities," including the onshore portion of the pipeline, and findings relating to the consistency of such facilities with the CCMP. Below, the Commission considers the relevant resources of the area, and the effects of the pipeline on the coastal zone.

The coastal zone resources which could be affected by the pipeline route include the Santa Ynez River estuary and associated wetlands. The estuary provides a nursery area for such marine species as the Pacific staghorn sculpin and starry flounder. A wide variety of birds, including two federally listed endangered bird species, the California least tern and the brown pelican, use the estuary and adjacent habitat areas.

Section 30231 requires that the "biological productivity" and the quality of coastal waters, streams, wetlands estuaries, and lakes appropriate to maintain "optimum populations of marine organisms" shall be maintained, through, among other means, "controlling runoff."

If construction of the pipeline were to result in excessive erosion and sedimentation of the Santa Ynez River, marine species such as those referenced above could be adversely affected. Nursery habitat for fish could be degraded or displaced by sediments entering the estuarine system from the watershed.

The least tern could also be adversely affected by construction of the pipeline. The least tern forages in the estuary and breeds in the sand dunes just north of the river mouth during some years. Noise and human presence during the breeding season could cause least terns nesting near the landfall to leave. If terns that had begun nesting are displaced, impacts would be high. Section 30230 requires that special protection be given to species of special biological significance. Since the least tern is an endangered, coastal habitat dependant species, it must be afforded protection under Section 30230. The Commission further finds that development proposed within and adjacent to least tern habitat areas would both adversely affect sensitive habitat areas on Vandenberg and result in spillover effects on this endangered species in the coastal zone. The spillover effects are a result of the scarcity of appropriate habitat in the project area and the continued loss of such habitat due to development, rendering remaining sites particularly valuable and necessary for the continued existence of the species utilizing these habitats. Construction activities in the vicinity of the Santa Ynez River mouth will be from September through March, in order to avoid adverse impacts to nesting and feeding activities of the California least tern.

Erosion control measures to prevent excessive sedimentation to the Santa Ynez River and tributary crossing has been developed. Implementation of these erosion control measures were planned so as to not interfere with the timing construction activities near the Santa Ynez River mouth, as discussed above.

In its Final Staff Recommendation on CC-36-84, the Commission noted that if, after the environmental work for the EIR/EIS was completed, if there is a substantial change in the final pipeline alignment from Union's preferred route presented in the DPP, then a new route would be submitted to the Commission as a consistency certification amendment.

During the EIR/S process, a pipeline corridor that uses the original landfall but then runs approximately 2,000 feet further north was developed in order to buffer even further the Santa Ynez River estuary. In addition berms and dikes have been added to reduce the potential for an oil spill impacting the resources of the estuary. Also, the new corridor would move Terra Road further from the estuary, thereby reducing the impacts on that sensitive area that are associated with travel on Terra Road.

The Commission finds, with the imposition of the mitigation measures cited above as permit conditions, and with the new pipeline alignment, that the onshore pipeline route is consistent with the marine resource policies of Chapter 3 of the Coastal Act (Sections 30230 and 30231), and is consistent with the CCMP.

7. Public Access and Recreation

Sections 30210 - 30212 and Section 30252 of the Act provide for maximum public access to the coast and the maintenance and enhancement of public access.

The proposed project will disrupt recreational use of 5 percent of the County's Ocean Beach Park for approximately one week during construction and installation of the landfall for the pipeline. This effect is not a significant deterrent to recreational use or access to the shoreline. Construction of the power cable terminus, at the Southern Pacific Railroad Station substation, will occur simultaneously with the pipeline installation and will last approximately four weeks, but will not involve any restriction of public access to the shoreline. While there will be increased activity, construction equipment and personnel in the vicinity, impacts upon Highway 246, the access road to the Park, are not considered substantial nor found to be inconsistent with Coastal Act Sections 30210-30212, and 30252.

Union states that during the construction phase it plans to use local labor. During the drilling and operation phase, Union plans on using local contractors and hiring operating personnel from the immediate area (Lompoc, Santa Maria, and San Luis Obispo.) Service personnel located in this area would be used. The impacts on onshore vehicular transportation systems is considered negligible to minor. Since workers will come from the local area, additional park use or strain on recreational facilities is minimized.

However, there do appear to be moderate to major impacts on a cumulative basis. Because of the number of projects proposed for the 1985 to 1988 period, the cumulative impacts to public access and recreation would be moderate to major during the construction phase, moderate during the drilling phase and minor during the production phase.

When considered with Texaco's Platform Harvest, located 11 miles south of Platform Irene; Chevron's Platform Hermosa, located 11 1/2 miles southeast of Platform Irene; Chevron's Platform Hidalgo, located 8 miles south of Platform

Irene; and Exxon's Platform Independence, immediately west of Platform Irene; there will be significant cumulative impacts (Figure 4.9.5(d) of the E.R. - DPP) on the capacity of Highway One. Therefore, the Commission finds this aspect of the proposed project inconsistent with Sections 30210-30212, and 30252 of the Coastal Act. The use of exclusively local labor, and helicopter trips from Lompoc, will minimize the number of trips on Highway One and mitigate to the maximum extent feasible adverse impacts on onshore vehicular traffic during construction phases. During drilling and production phases, related traffic on Highway One will taper off to near pre-project levels.

As part of Santa Barbara County's permit conditions, Union has agreed to contribute to the Coastal Resource Enhancement Fund (CREF), developed by the County and designed to be used for enhancement of coastal recreation, aesthetics, tourism and/or environmentally sensitive resources. Once a specific fee is determined, based on project-specific impacts, Union will be required to make annual fee payments of said amount. Union's contribution to the fund shall not exceed \$325,000 annually for the life of the project. Commission staff will work closely with County staff to make sure that the access program in the CREF fully meets the Coastal Act and County LCP public access objectives.

The Commission finds that the proposed project is mitigated to the maximum extent feasible through the use of local labor, the minimal long-term restriction of public use of the County's recreation area, and contribution to the CREF, as described above, and is therefore consistent with Section 30260(3).

8. Archaeological Resources

Section 30244 of the Act states:

Where development would adversely impact archaeological or paleontological resources as identified by the State Historic Preservation Officer, reasonable mitigation measures shall be required.

Union has submitted the results of studies used to identify cultural and archaeological resources around proposed Platform Irene and along the route of the proposed pipeline from Irene to Vandenberg AFB.

An extensive underwater cultural survey of OCS-P 0441 and the surrounding area was made in September, 1981, indicating no obvious archaeological finds within the survey area.

During July and September 1983, McClelland Engineers made a site specific, subsea cultural resource survey of OCS-P 0441 and the associated pipeline and power cable corridors. The purpose of this study has been to identify and inventory and cultural resources within the project and nearby area, and evaluate potential impacts of the proposed project on such resources, should they occur. In addition to an examination of existing literature, an examination of the area using high-resolution geophysical soundings and extensive video tapes of the area were made as part of a biological survey of the project and its adjacent areas.

A literature search of the project area has revealed evidence of two historic shipwreck sites in the vicinity of the powerline corridor. These are identified as the Steamer, Sibyl Marsden, lost about 1905, and the Barque, Robert Sudden, lost in 1887. Both Vessels were reported lost near Surf, California.

Evaluation of the marine geophysical survey data indicated one potential anomaly indicative of a possible shipwreck site approximately 300 feet south of the proposed powerline in 60 feet of water. No features indicative of former environments favorable for the preservation of prehistoric aboriginal sites were identified.

As a mitigating measure to protect the possible shipwreck (Barkentine, Robert Sudden), Union will, prior to installing the subsea power cable, employ divers to locate the anomaly shown in McClelland Engineers Cultural Survey Report (1983). This anomaly will be marked with buoys and carefully avoided during subsea cable laying operations. As the cable will be installed by a self propelled ship and will not employ anchors, it will be possible to install the cable some 500 feet north of the anomaly which will avoid any disturbance to the area. When the job is completed, the buoys will be removed.

Since Union has committed to locate the pipeline route to avoid anomalies, the Commission finds that this provides reasonable mitigation and the project is consistent with Section 30244 of the Act as it relates to the protection of archaeological resources offshore.

9. Cumulative Impacts/Consolidation of Facilities

Platforms Irene and Independence are the first development proposals in the Point Pedernales Field, and Irene will be the central platform for the field. It is on a Lease Sale 53 tract, which the Commission found could be offered for sale consistent with the CCMP. Since that sale the DOI has held Lease Sales RS-2, 68, 73 and 80. Development for tracts sold in 1968 and Lease Sale 48 are still in the planning stage. The cumulative effects of the exploration and development, especially the timing, pace, and nature of the development triggered by these sales has not been addressed by the DOI in a comprehensive manner. As a result, impacts on marine and coastal resources, most notably air quality, vessel safety, and land use planning have been addressed on a case-by-case basis with the burden falling on the OCS operator proposing the activity. Clearly, this process does not provide the protection from cumulative impacts nor does it provide the certainty OCS operators deserve.

Section 30250 of the Coastal Act provides protection against these cumulative impacts to the coastal environment:

(a) New residential, commercial, or 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 a significant adverse effects, either individually or cumulatively, on coastal resources....

In the Cumulative Effects section of the Environmental Report for Platform

Independence, Exxon stated that production and transportation in the Santa Maria Basin/western Santa Barbara Channel area could be expected to produce cumulative effects with Platform Independence. This would include activities not yet proposed but related to OCS lease sales 48, 53, 68, 73, reoffering of tracts not sold in Lease Sale No. 53, and future lease offerings. The three principal sources of cumulative effects from potential projects in this area are the presence and operation of offshore facilities, the presence and operation of onshore facilities, and accidental oil spills.

Energy related projects in the Santa Maria Basin/western Santa Barbara Channel area which are already in the permit process include Exxon's Santa Ynez Unit Development, Chevron/Texaco Point Arguello Field/Gaviota Processing Facility, Union's Platform Irene/Lompoc Processing Facility, ARCO's Coal Oil Point Project, Texaco Gaviota Consolidated Coastal Facility, Exxon's Las Flores Marine Terminal, Celeron/All American Pipeline, and Four Corners/Chevron/Texaco Pipeline. (Some of these projects are competing or partially competing with other projects and it is unlikely that all would be built.) In addition, Cities Services Oil and Gas Corporation has submitted a DPP to Mineral Management Service for OCS P-0409. Several other operators are drilling or have proposed drilling exploratory wells in the southern Santa Maria Basin area.

As noted in Section D3 and D4, above, the Commission finds the proposed project will have significant and adverse cumulative impacts in relation to marine resources, and commercial fishing. Thus, the proposed project fails to meet the requirements of Section 30250(a).

The project may however be further analyzed under Section 30260 requirements, which provide for further consideration of certain facilities even if they fail to meet other Chapter 3 policies. Under Section 30260, a coastal dependent industrial facility may be permitted if: (1) there are no feasible less environmentally damaging locations for the project; (2) denial of or objection to the project would adversely affect the public welfare; and (3) adverse environmental effects are mitigated to the maximum extent feasible.

The Commission finds that the first requirement of feasible alternative locations for Union's project is met for the proposed pipeline. Even if the pipeline location could be moved within limited distances and still allow production of the hydrocarbon structure, such a move would not reduce environmental impacts due to similar substrate and habitats in the area. The second requirement relating to public welfare is discussed in the following section.

Mitigation of adverse environmental effects to the maximum extent feasible is the third requirement of 30260. As stated in the previous sections, Union is proposing maximum feasible mitigation to reduce impacts on coastal resources. The Commission emphasizes that the commitment to use consolidated pipelines, power cables, and processing facilities is the major step towards developing maximum feasible mitigation measures to reduce impacts on the resources.

Union's proposed Platform Irene is designed to transport oil and gas production from other platforms in the central Santa Maria Basin to an onshore separation and dehydration facility. Future platforms will be connected to the electric power cable that goes to Union's Irene from the existing Pacific Gas and Electric grid system. Thus, site-specific impacts from processing

plants, pipelines, and other associated developments will be minimized. Due to consolidation and to Union's commitments to mitigate impacts to the maximum extent feasible, the Commission finds the project consistent with Section 30260(3).

10. Public Welfare

Under Section 30260(2) of the Act, the Commission must determine that Union's project will not adversely affect the public welfare. Included in the concept of public welfare is consideration of the "natural interest." The Commission considers the national interest when it reviews federal licenses and permits. In addition to the Coastal Act, the Commission's approved CCMP includes a separate chapter (Chapter 11) that describes the process used for considering the national interest. The federal government has determined that the California coast is a resource of national significance, comprising more than half the western coastline of the contiguous 48 states. In reauthorizing the federal Coastal Zone Management Act in 1980, Congress identified ten national objectives to be achieved by states through their coastal management programs. Nine of the ten objectives recognize the critical need to protect coastal zone environmental resources. However, the Congress, the California Legislature, and the Commission also recognized that a balancing must be made with respect to the protection of land and water resources and the development of domestic energy resources. This balancing takes place under the provisions of the "public welfare" test embodied in Section 30260 of the Coastal Act. Thus, under Section 30260, the Commission is empowered to balance the national interest in both resource protection and energy development as is required under the CZMA.

The Air Force has sent Union a preliminary notice of intent to grant a right of way for a pipeline across Vandenberg. The Air Force has emphasized that their primary mission is national defense, but they do not find the pipeline to be incompatible with that mission.

The Commission recognizes the national interest in meeting the nation's domestic energy needs and supports OCS lease sales and development projects in areas where petroleum resources are high and an infrastructure exists to support offshore oil development. In keeping with this policy, the Commission finds that Platform Irene's pipeline can be found to be in the public interest only with the mitigation measures for the adverse impacts identified in the previous sections of this report. The commitment of the Platform Irene producers to use pipelines for transportation of the crude if they are available with accessible capacity to their market destinations, and the proposed consolidation of the transportation and processing facilities with Exxon's Platform Shamrock mitigate the majority of these impacts. Other measures for protection of marine resources, commercial fishing activities, and public access and recreation complete mitigation of adverse impacts on coastal resources. These commitments allow the Commission to find the project consistent with the public welfare since the impacts are mitigated to the maximum extent feasible. Therefore, the Commission finds the proposed construction and operation of the pipeline between the platform and the separation facility, and related facilities to be consistent with Section 30260(2) and hence with the California Coastal Act of 1976.

APPENDIX I

Substantive File Documents

California Coastal Commission Findings and Reports

Consistency Certification File CC-36-84, Union Oil Company of California, Platform Irene.

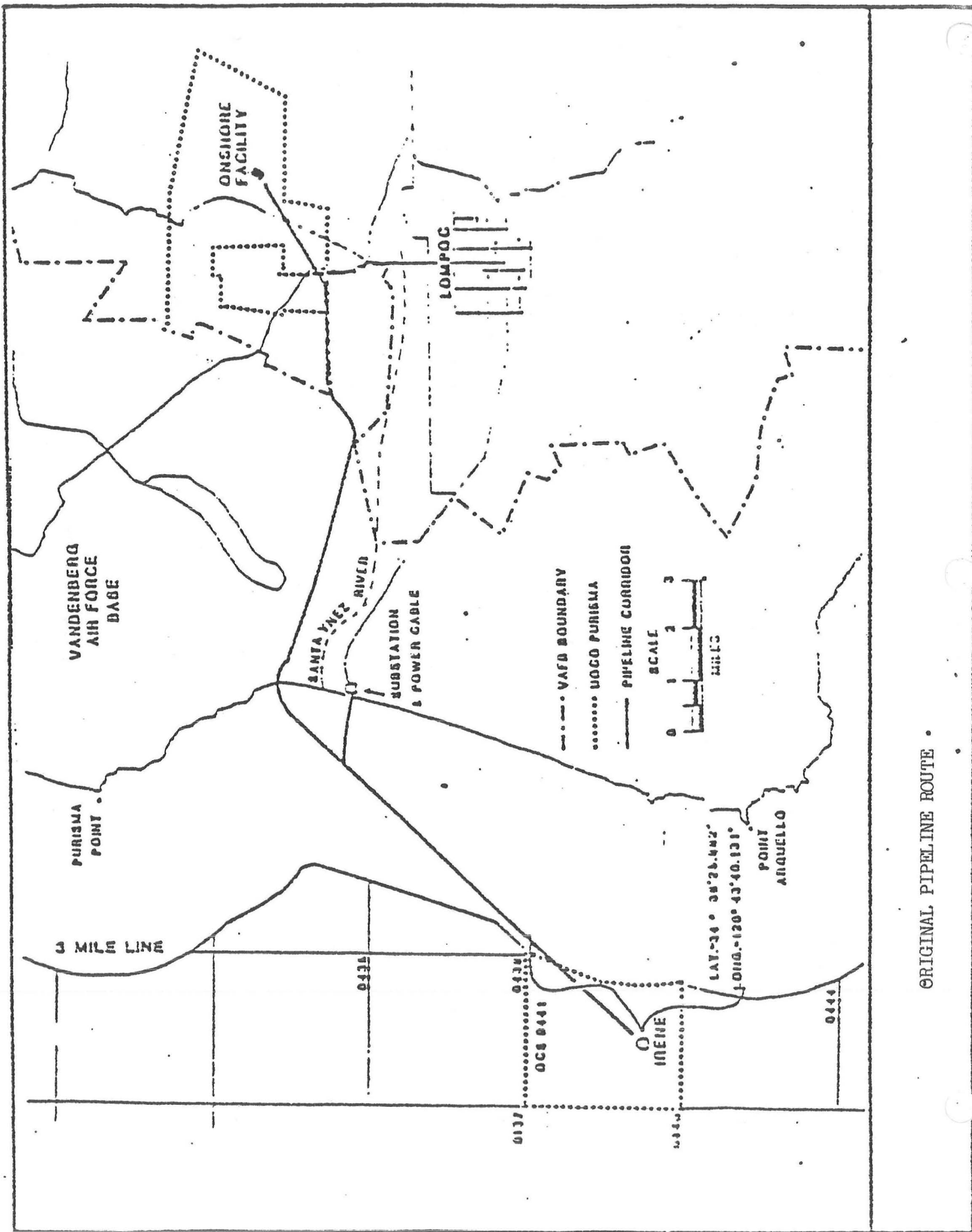
Consistency Certification File CC-7-85, Exxon Company, U.S.A., Project Shamrock.

Environmental Documents and Studies

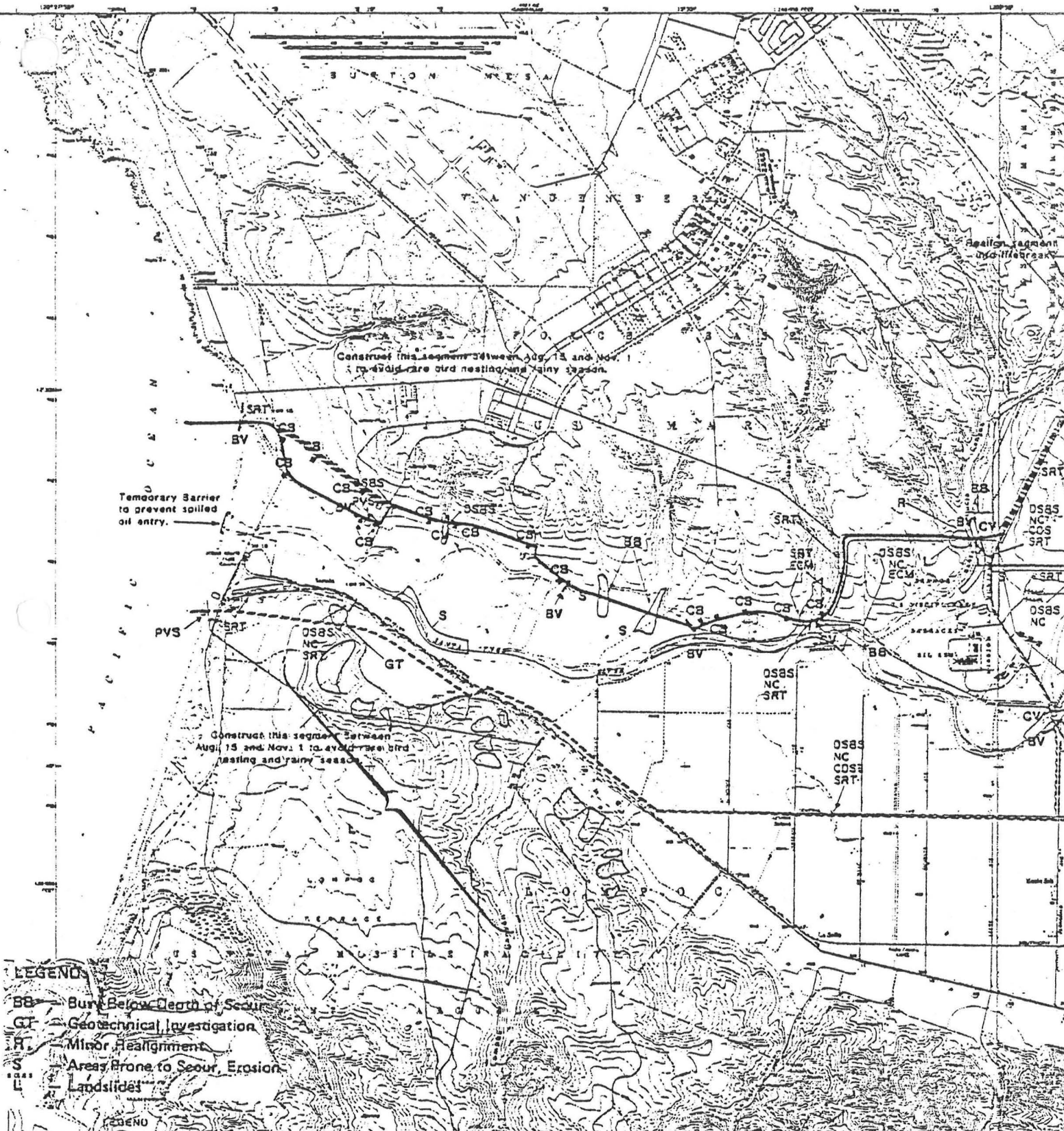
Union Oil Project/Exxon Project Shamrock and Central Santa Maria Basin Area Study EIS/EIR, July, 1985. Prepared by Arthur D. Little, Inc.

Letters

To Suzanne Rogalin, California Coastal Commission, from R.C. Hanscom, Union Oil Company of California, February 15, 1985.



ORIGINAL PIPELINE ROUTE

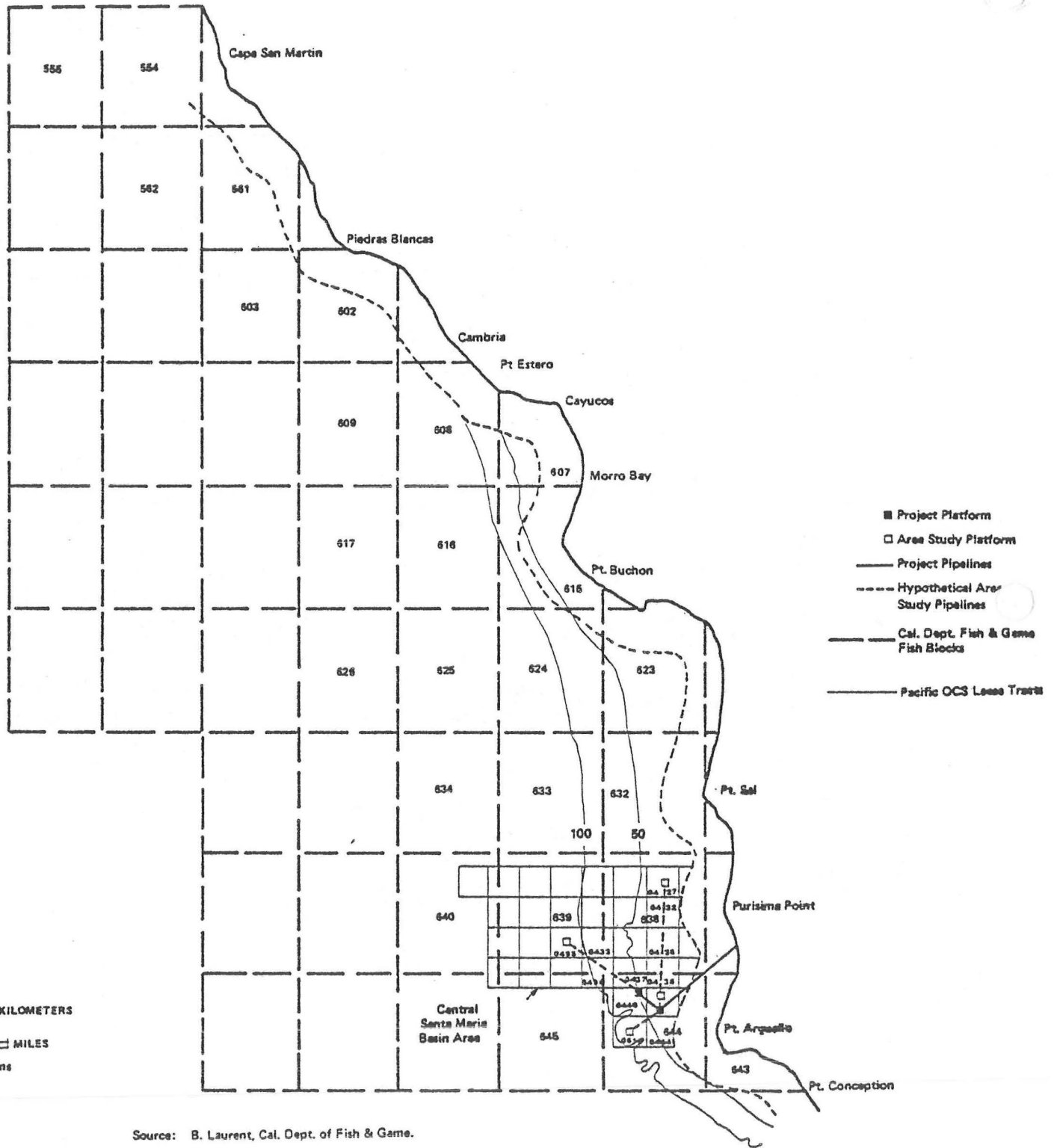


- LEGEND**
- BB - Bury Below Depth of Scour
 - GT - Geotechnical Investigation
 - H - Minor Realignment
 - S - Areas Prone to Scour, Erosion
 - L - Landslides

- LEGEND**
- OSBS - ORANGE OF SPECIAL BIOLOGICAL SIGNIFICANCE
 - ECM - SPECIAL REVEGETATION METHODS NEEDED
 - PVS - PROPOSED VALVE/STATION
 - ECM - SPECIAL EROSION CONTROL METHODS NEEDED
 - NC - USE NARROW DISTURBANCE CORRIDOR
 - OS - CONSTRUCT DURING OR IN SEASON
 - BT - INSTALL SEDIMENT TRAP
 - CB - CATCH BASIN
 - BV - BLOCK VALVE
 - CV - CHECK VALVE

- LEGEND**
- Proposed Route to Site #1
 - Northern Mitigated Pipeline Route #1
 - Southern Mitigated Pipeline Route #1
 - Proposed Route to Site #2
 - Northern Mitigated Pipeline Route #2
 - Southern Mitigated Pipeline Route #2

FIGURE 5 SUMMARY OF ONSHORE IMPACT ISSUES AND POTENTIAL MITIGATION MEASURES IN THE PROJECT AREA



Source: B. Laurent, Cal. Dept. of Fish & Game.

STUDY REGION FOR COMMERCIAL FISHING

EXXON COMPANY, U.S.A.
P.O. BOX 5025 • THOUSAND OAKS, CALIFORNIA 91359

LAW DEPARTMENT
RONALD R. GONZALES
ASSOCIATE DIVISION ATTORNEY

CC-7-83 *NO CC-7-85*
NOTED-DUNAWAY

Noted - Mason

February 19, 1985

Re: **Point Pedernales Field**
Consistency Certification

Mr. Thomas W. Dunaway
Minerals Management Service
1340 West Sixth Street
Los Angeles, California 90017



Dear Tom:

The Coastal Commission Staff requested that we slightly revise our February 8, 1985 letter to Michael Fischer on Exxon's consistency certification for its Point Pedernales Development and Production Plan. Attached is the revised letter dated February 19, 1985, which supercedes the one sent to you earlier.

Very truly yours,

Ran

RRG/jef
Attachment

EXXON COMPANY, U.S.A.

P.O. BOX 5025 • THOUSAND OAKS, CALIFORNIA 91359

PRODUCTION DEPARTMENT
WESTERN DIVISION

SHELDON H. MOORE JR.
DIVISION ATTORNEY

February 19, 1985

Re: Exxon Consistency Certification
Point Pedernales Field

Mr. Michael Fischer
Executive Director
California Coastal Commission
631 Howard Street
San Francisco, California 94105



Dear Mr. Fischer:

Exxon has been engaged in discussions with your Staff concerning the consistency of its Point Pedernales Field Development and Production Plan. During these meetings, your Staff advised that additional mitigation measures would be required to obtain the Staff's recommendation of consistency concurrence. Accordingly, in the spirit of cooperation and based on the understanding that the following mitigation measures address Staff's concerns and will enable them to recommend concurrence, Exxon hereby amends its consistency certification for its Point Pedernales project to include the additional mitigation measures set forth below:

Transportation of Crude Oil

Exxon agrees to transport its Pt. Pedernales crude production by pipeline consistent with Santa Barbara County's Oil Transportation Policies, which were approved as Local Coastal Plan and Coastal Zoning Ordinance amendments by the California Coastal Commission in September 1984. Under these Policies, transport of Pt. Pedernales crude production must be by pipeline when Exxon's refinery center of choice is served by pipeline. Exxon recognizes that crude transportation by means other than pipeline shall be in accordance with these Policies, and will be permitted only when the County, subject to Commission and other appropriate review, has determined that use of a pipeline is not feasible by making one of the following findings:

1. A pipeline to the shippers' refining center of choice has inadequate capacity or is unavailable within a reasonable period of time;
2. A refinery upset has occurred, which lasts less than two

months, precludes the use of a pipeline to that refinery, and requires temporary transportation of oil to an alternative refining center not served by pipeline;

3. The costs of transportation of oil by common carrier pipeline are unreasonable taking into account alternative transportation modes, economic costs, and environmental impacts; or
4. An emergency, which may include a national state of emergency, has precluded use of a pipeline.

These same Oil Transportation Policies will apply to any person or entity purchasing Exxon's Pt. Pedernales crude production.

Exxon's crude oil will be transported from the consolidated Lompoc treating facility by approved industry transportation systems. Exxon's primary long-term refinery destination for its crude oil is its Baytown, Texas refinery. It is anticipated that permit applications will be filed for the industry pipeline from Lompoc to Gaviota, which is currently being analyzed on a programmatic basis in the Central Santa Maria Basin EIS/R. This line would tie into existing or proposed consolidated storage and transportation systems along the Gaviota coast. Prior to completion of pipelines, only approved marine terminal facilities will be used.

Containment and Cleanup of Crude Oil Spills

- ° Exxon's Pt. Pedernales project will have the following oil spill containment and cleanup equipment:
 - 1,500 feet of oil spill containment boom capable of open ocean use;
 - Oil recovery skimmer capable of open ocean use;
 - Oil storage capacity to handle skimmer throughput until the oil spill cooperative can arrive with additional equipment;
 - A boat located at the site of drilling operations (arrangements will be made with Union whereby this boat and Union's boat will be available for reciprocal support);
 - Oil sorbent material capable of absorbing 15 barrels of crude oil;
 - To ensure adequate oil spill response capability for the Pt. Pedernales area, Exxon will participate in the acquisition of a vessel with increased capabilities for Clean Seas. The vessel will be approximately 180 feet in length with 1,000 barrel storage capacity, have state of the art containment and cleanup equipment for oil spills, and be operated by a

professional crew. This boat will provide an onsite capability which far exceeds the Commission's standard equipment requirements. The vessel is to be stationed in the Pt. Arguello/Conception area at a location approved by all appropriate authorities within one hour of the site. If this vessel cannot be onsite by the time Exxon's operations begin, Exxon will provide a large vessel fully equipped with the above-mentioned equipment list until the Clean Seas vessel is available.

- Exxon will participate with Union in effectiveness and toxicity testing of dispersants, and in encouraging federal and state agencies to license Corexit 9550. Effectiveness tests performed on Corexit 9550 confirm that it is a superior dispersant for use on Pt. Perdernes crude oil. By June 1, 1985, Exxon Chemical Company will file the necessary information with the State Water Resources Control Board and the Environmental Protection Agency to get this dispersant accepted. It is anticipated that the acceptance and licensing process will take approximately three to four months.

Marine Resources

- Exxon will make avoidance of marine construction activities during the whale migration period of December through April a significant project design criterion. Platform and pipeline installation will not be planned for this period. If unavoidable construction delays necessitate that these activities take place during this period, Exxon will notify the Commission and work out mutually agreeable appropriate mitigation measures such as instructing personnel on whale observation, identification and avoidance, assigning a boat for whale observation, and placing sonar reflectors on vessel mooring lines.
- Crew and supply boats will adhere to prescribed vessel traffic routes as much as possible.
- Exxon will cooperate with the Fisheries and Environmental Training Program and WOGA to improve, as necessary, the information presented in the program on gray whales and the avoidance of any inadvertent harassment.
- Exxon will use only chrome-free lignosulfonate drilling muds when discharging to the ocean, pursuant to NPDES permit.
- Exxon agrees to implement all feasible mitigation measures

appropriate to its Pt. Pedernales project which may be identified in the joint government/industry study on drilling muds and cuttings discharge mitigation techniques.

Commercial Fishing

- Exxon will use support boat routes adopted by the Joint Committee in Santa Barbara Channel Oil Service Vessel Corridor Programs, and refrain from mooring support vessels within ten fathoms of Hueneme Flats.
- Impacts on fishing from crew boats will be minimized by consolidating crew changes, requiring crew boats to utilize prescribed vessel traffic routes, and requiring crew boat operators to attend the Marine Mammals and Fisheries Training Program.
- Exxon will also:
 - Design and construct the pipeline protrusions so that they will be shrouded;
 - Use pipeline installation methods which eliminate or minimize anchor scarring;
 - Use pipelines with a minimum of surface obstructions;
 - Conduct post-construction surveys within the platform and pipeline construction zone;
 - Remove all artificial obstructions related to construction activities and drag the bottom where recoverable project equipment is lost overboard as required by the Minerals Management Service; and if an object is not recoverable, publish notice of its location in the Santa Barbara Marine Advisory Program Newsletter and the Notice to Mariners;
 - Notify commercial fishermen of the schedule and locations of construction activities through the Santa Barbara Marine Advisory Program Newsletter and the Notice to Mariners; and
 - Orient the platform support boat mooring buoys in the same water depth as the platform and as near to parallel to the shore as possible.

Vessel Traffic Safety

- Exxon will install an Automatic Radar Plotting Aid on the platform if the Executive Director determines that Union's Platform Irene system is inadequate for both platforms. 3. US-13
- Exxon will install four quick-flashing white lights visible for five miles on each corner of the platform and red clearance

lights at the top of the drilling mast and the tip of each crane boom.

- Lighting will be provided when daylight visibility is less than three miles.
- Helicopter perimeter lighting will consist of dual fixtures equipped with one blue and one amber globe.
- The platform will have a foghorn with a two-mile audible range.
- The platform will be painted in accordance with USCG recommendations to increase the platform's visibility to vessels.
- The platform will be equipped with personnel escape capsules that have been approved by the Minerals Management Service and USCG.

Air Quality

- The project will have the following Best Available Control Technology equipment and operating practices:
 - All vessels containing volatile hydrocarbons will be connected to a low pressure gas gathering system or vapor recovery system to reduce hydrocarbon emissions;
 - Emergency flare;
 - Gas scrubber upstream of each flare to remove and contain any entrained liquids;
 - Crew and supply vessels will employ retarded injection timing to reduce NO_x emissions to the extent vessel operators and the ABS consider it safe and feasible;
 - Fugitive emission inspection and maintenance program; and
 - H₂S monitors on the platform.
- In addition, electric power will be provided by onshore electric utility service via a subsea power cable from Union's Platform Irene.

Public Access and Recreation

- Exxon plans on using local labor and local contractors in support of platform operations, and will encourage and promote employment from local sources.

Mr. Michael Fischer
February 19, 1985
Page 6

Compatibility with the Local Coastal Program

- ° Exxon's Pt. Pedernales crude oil will be transported consistent with the pipeline commitment set forth herein.

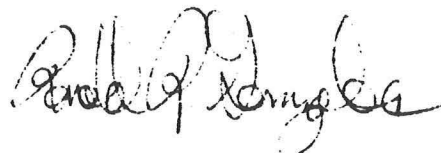
Public Welfare

- ° Production from Exxon's Pt. Pedernales project will be consolidated in Union's oil gathering and processing facilities associated with their proposed Platform Irene project.
- ° Exxon's Pt. Pedernales crude oil will be transported consistent with the pipeline commitment set forth herein.

These additional mitigation measures are for Exxon's Pt. Pedernales project, and Exxon reserves its position on these issues as to its other operations. The implementation of these mitigation measures is subject to the approval of all federal, state or local agencies properly having jurisdiction over their implementation, and nothing contained herein shall require Exxon to take any action that would violate any valid rule, regulation or order of any such agency. Exxon reserves the right to contest on all grounds the Commission's or any other agency's application or enforcement of these mitigation measures. Nothing contained herein shall be construed to limit Exxon's rights to participate in the Environmental Protection Agency's NPDES permit renewal process or to contest the provisions of that permit or the Commission's consistency review. In agreeing to additional air quality control mitigation, Exxon expressly reserves its position that OCS emissions are subject to exclusive regulation by the Department of the Interior and that the regulations of the Department fully protect onshore air quality.

I wish to express my appreciation for the time your Staff has spent with us in working on this matter.

Very truly yours,


for Shelby H. Moore, Jr.

SHM/jef

xc: T. W. Dunaway
Minerals Management Service