

CC-36-86 Pl. Gail

CALIFORNIA COASTAL COMMISSION

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PROPOSED COMMISSION FINDINGS ON CONSISTENCY CERTIFICATIONAPPLICANT FOR FEDERAL PERMIT:

Chevron U.S.A., Inc.

PROJECT LOCATION:

Offshore on Lease OCS P-0205 approximately 24 miles southeast of Santa Barbara, 11 miles southwest of Ventura and 6.5 miles north of Anacapa Island in the Santa Barbara Channel. (see Exhibit 1.)

PROJECT DESCRIPTION:

Platform Gail: One thirty-six (36)-slot drilling and production platform on Lease OCS P-0205 in 739 feet of water. Three (3) new subsea pipelines (oil, gas and a spare) running approximately 6 miles to the northwest from Platform Gail to Platform Grace.

SUBSTANTIVE FILE DOCUMENTS: See Appendix A in Staff Recommendation.

PREVAILING COMMISSIONERS:

Garrett, MacElvaine, Knapp, Malcolm, McInnis, McMurray, Wornum and Wright

STAFF NOTE

On October 7, 1986 the Commission reviewed proposed findings and directed staff to prepare revisions for consideration at the November Commission meeting. These Proposed Commission Findings include only the revised wording to be considered by the Commission for adoption on November 14, 1986. The remaining wording of the suggested findings contained in the Staff Recommendation on Consistency Certification considered at the September 9, 1986 Commission hearing, is unchanged (except where noted below). After Commission action, Commission staff will integrate the two documents and publish the complete document.

References to concurrence will be modified to objection in accordance with the Commission action, as indicated below. Portions of the Staff Recommendation will be rearranged, as appropriate, to prevent duplication. Previous Commission Concerns contained in the Staff Recommendation shall be incorporated with the Adopted Commission Findings.

Findings for each policy group consist of facts, analyses and conclusions. This report contains suggested changes to analyses and conclusionary statements contained in the staff recommended findings. The findings of fact, Coastal Act citations and all background data and supporting documentation shall remain as considered by the Commission on September 9, 1986, with the exception of conforming changes. The analyses and conclusions will be changed in accordance with Commission direction. Language of the Staff Report of September 9, 1986 which states "staff recommends" will be changed to "the Commission finds" or "some Commissioners find," as indicated herein.

These proposed findings attempt to describe the various reasons that the prevailing Commissioners voted to object to the Platform Gail Project. The staff understood the Commission to object for specific reasons under two main categories; location and level of mitigation. Therefore, the findings for each policy group include a discussion of the Commissioners' reasons for objection due to Coastal Act conflicts regarding location and level of mitigation. Each policy group finding also includes a discussion of possible project alternatives that could address the Commission's concerns with location and level of mitigation.

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Background and Summary of Commission Action

The original Chevron Platform Gail Development and Production Plan (DPP) was filed by the Commission on January 10, 1986. Staff requested additional information from MMS and Chevron on March 31, 1986. The Commission held public hearings and considered the Summary of Issues on June 10, 1986 and the original Staff Recommendation on July 8, 1986. The Commission voted to object to Chevron's original proposal, as amended, on July 8, 1986 and adopted findings of objection on July 10, 1986.

On July 15, 1986, Chevron submitted an amended DPP (referred to herein as the amended plan, DPP or proposal) to the MMS and a corresponding re-submitted consistency certification was submitted to the Coastal Commission on the same date. Staff prepared a recommendation and scheduled a public hearing.

On September 9, 1986, the Commission held a public hearing and (with a 4 to 8 vote on a motion for approval) objected to the consistency certification for Chevron's amended Development and Production Plan (DPP) for Platform Gail and associated pipelines on OCS Lease Tract P-0205, located 6.5 miles north of Anacapa Island in the Santa Barbara Channel.

The amended plan contained the original proposal (CC-2-86), all amendments made prior to July 8, 1986 and further measures proposed by Chevron to address vessel traffic safety, air quality, and commercial fishing issues. Chevron also provided additional information on the locational constraints of alternative sites for the proposed platform and pipelines. The reasons for the Commission's objection to Chevron's proposal are explained herein.

This case is unusual and complex, but comparable to others wherein a certain decision resulted from a combination of factors having significantly different effects in the minds of individual Commissioners. This is not uncommon where a diverse group of individuals is asked to make decisions on complex, multi-faceted and controversial matters.

Although it is clear that the Commission as a whole agreed that some measures to mitigate the impacts of the project were necessary and appropriate to find consistency with California's Coastal Zone Management Program, there were differences of opinion as to the appropriateness of the "final package" of mitigation measures contained in Chevron's plan as it stood before the Commission. The amended proposal was rejected because in this case, two groupings of Commissioners on the prevailing side reached the same conclusion albeit with very different reasons.

Location

Several Commissioners expressed the opinion that notwithstanding their support for the strong mitigation components of the amended plan and that they constitute targets other offshore oil and gas

developers should aim for, this particular platform was simply in a location wherein significant adverse impacts would result to coastal resources which could not be mitigated to resolve their concerns.

These Commissioners concluded that the proximity of the proposed platform to Anacapa Island and the Channel Islands National Park and Marine Sanctuary would result in undue risks of oil spills and other impacts to important marine and coastal resources, specifically the endangered California brown pelican which nests and breeds on Anacapa Island.

Another reason for objection by these Commissioners was the proximity of the platform to the vessel traffic safety lanes and the resulting risk of collisions. These Commissioners concluded that under the Coastal Act, these anticipated project impacts would be unmitigable if the platform were placed in the proposed location. Given the state of oil spill prevention and clean-up technology, the risks to coastal and marine life, and the adverse visual effects upon scenic resources, these Commissioners find that it would not be in the national or state-wide public interest to concur in the consistency certification for the project because the project conflicts with many applicable Coastal Act policies and is inconsistent with the public welfare provisions of Section 30260(2).

Level of Mitigation

Several Commissioners on the prevailing side did not base their objection on concerns about location, but rather on the fact that the project contained mitigation measures in excess of that which they felt should be required for approval. These Commissioners concluded, based upon verbal statements made by other Commissioners, Chevron and the public regarding Chevron's proposals, that to concur would force other oil companies to provide the same level of mitigation. These Commissioners felt that other offshore producers might not be able to go forward with their projects with such a high standard of mitigation.

Other Commissioners holding a similar, but slightly different opinion felt that the findings should make clear that certain mitigation measures offered by Chevron were not mandatory under the Coastal Act and while Chevron could carry out this high level of mitigation, the Commission would not enforce certain measures nor would they request them of future oil developers.

Several Commissioners found that approval of Chevron's mitigation package in the amended plan should not set a precedent for subsequent developers seeking consistency from the Commission. Approval of Chevron's project without clarification that this is a unique circumstance would result in frustrating Coastal Act objectives calling for "...orderly, balanced utilization and conservation of coastal zone resources..." (Section 30001.5). In considering the legislative finding that "future developments are essential to the economic and social well-being of the people of

this state" (Section 30001(d)) these Commissioners could not conclude that the public welfare would best be served by approval of all the components of the project (Section 30260(2)).

Alternatives

These findings elaborate on the reasons for objection identified in the transcripts of the Commission's proceedings, as well as describe alternative measures or conditions which would make the activity consistent with the California Coastal Management Program (CCMP) policies. Since Commissioners on the prevailing side had different reasons for objecting, the alternative measures which would enable a majority to find consistency are different. The following reflects possible alternatives available under each set of reasons.

Location

The Commissioners who voted to object primarily because of location find there are no feasible alternatives or mitigation measures available at this time that would appreciably reduce the risks to marine and coastal resources as a result of oil spills, collision or other impacts that may be attributable to the project. These Commissioners cite the unmitigable visual impacts on recreational use of the Channel Island National Park and state waters surrounding Anacapa Island. These Commissioners find that Chevron's proposals go a long way toward mitigating these impacts, however, given the marginal performance of state-of-the-art oil spill technology and insurmountable proximity issues, Chevron cannot develop this oil field at this time and prevent adverse impacts and/or significant risks to marine and coastal resources, and cannot adequately protect the public interests of the State of California as required under the CCMP. These Commissioners find that less environmentally sensitive areas should be developed for oil before this project is undertaken.

Level of Mitigation

Several Commissioners voted to concur with Chevron's original DPP and voted to object to Chevron's amended proposal on the basis that the amendments should not be a mandatory part of the consistency certification. While Chevron has proposed in its amended proposal additional environmental protection measures for: air quality, vessel traffic safety and commercial fishing, these Commissioners find that these additional measures are unnecessary in order to meet Coastal Act policies, and would pose undue economic burdens on oil companies proposing subsequent development. If clarification was made to exclude these amendments as being mandatory, several Commissioners could concur. Several Commissioners find that the level of mitigation contained in the original proposal with amendments (CC-2-86), offered by Chevron prior to the Commission vote in July 1986, is approvable under the Coastal Act and consistent with the CCMP.

Other Alternatives

Other alternatives include modifying the project to contain some, but not all of the mitigation measures of the amended proposal, or to add other mitigation measures such as an electric power cable to reduce air quality impacts. Under these alternatives Chevron would have to provide additional information on the adverse effects, need for mitigation, or lack thereof, on coastal resources such that while the project could go forward with certain mitigation measures in place, new information may show mitigation to be unnecessary in light of a limited effect upon coastal resources or infeasible for economic or other reasons.

Organization of Findings

The findings in this document constitute amendments and changes to the Staff Recommendation of September 9, 1986. These findings incorporate the Recommendation except where noted. The following paragraphs detail the Commission's objection to Chevron's project and all the changes to the September 9, 1986 Staff Recommendation.

These findings of objection shall become the official findings of the Commission with respect to Chevron's amended project CC-36-86 as submitted, after Commission adoption scheduled for November 14, 1986.

I. RESOLUTION

Objection

The Commission hereby objects to the consistency certification made by Chevron U.S.A. for proposed Platform Gail (a thirty-six slot drilling and production platform on Lease OCS P-0205) and three new subsea pipelines (from Platform Gail to Platform Grace) because the installation and operation of this platform would not be carried out in a manner consistent with the mandatory policies of the California Coastal Act, and the California Coastal Management Program (CCMP). This objection may be appealed to the Secretary of Commerce within 30 days of the Commission's decision pursuant Section 307(c)(3)(b) of the CZMA in accordance with Department of Commerce regulations found in 15 CFR Section 930.120 et seq. (Subpart H).

II. FINDINGS AND DECLARATIONS

The Background and Summary of Commission Action, Alternatives, Organization of Findings, Staff Recommendation of September 9, 1986 except where noted, Resolution, Exhibits and Appendices shall be incorporated by reference as Commission Findings within the following adopted Findings and Declarations.

The Commission finds and declares as follows:

A. Procedural Considerations

Appeal

Regulations adopted by the Secretary of Commerce to implement Section 307 of the Coastal Zone Management Act (CZMA) require that the Commission notify the applicant of the right to appeal the Commission's objection to the Secretary of Commerce. The Commission has previously notified Chevron of this right and Chevron has filed an appeal. Chevron may appeal the Commission's decision in accordance with the provision of Subpart H of the Secretary's regulations (15 C.F.R. Section 930.120 et seq.). Any appeal must be filed within 30 days of the Commission's objection. The grounds for appeal are that the project is consistent with the objectives or purposes of the CZMA or necessary in the interest of national security.

The project placed before the Commission through MMS' submittal of Chevron's consistency certification includes all of the mitigation proposed by Chevron as described in Background and Summary of Commission Action above. As discussed in the Commission's previous objection findings (July 10, 1986), the DPP before the Secretary of Commerce, if Chevron pursues its appeal, includes these measures. The authority of the Secretary on appeal is to approve the plan objected to by the state agency if he finds the submittal consistent with the objectives and purposes of the CZMA or necessary in the interest of national security.

If, as a result of any other subsequent federal review, changes are made in the amended DPP as submitted to the Commission, the changes must be considered under provisions of the CZMA and federal regulations requiring consistency certification resubmittal to affected state agencies.

Resubmittal

These findings are based upon Chevron's submittal of an amended plan (CC-36-86) which was proposed to answer Commission objections to the original plan, as amended prior to July 8, 1986 (CC-2-86).

Regulations adopted by the Department of Interior (DOI) make clear that the applicant is permitted to resubmit an amended OCS plan as an alternative to appealing to the Secretary of Commerce. Specifically, the regulations state:

If a development and production plan is disapproved because a State objects to the lessee's coastal zone consistency certification, the lessee shall modify the plan to accommodate the State's objection(s) and resubmit the plan to: (i) The Director for review...; (ii) Through the Director, to the State for review pursuant to the Coastal Zone Management Act and the implementing regulations...Alternatively, the lessee may appeal the State's objection to the Secretary of Commerce. (30 C.F.R. Section 250.34-2(h)(2) (emphasis added))

DOI must disapprove a plan which has not received state concurrence, unless concurrence is conclusively presumed, or the Secretary of Commerce overrides the state objection (30 C.F.R. Section 250.34-2(g)).

Content of the Development and Production Plan

The amended DPP before the Commission includes all of the extensive measures agreed to by Chevron to mitigate the impacts of the project as originally proposed. These commitments are contained in detailed correspondence between Chevron, the Minerals Management Service and the Commission as listed in the Substantive File Documents (Appendix A), each of which was specifically incorporated into the DPP.

On July 15, 1986, the Minerals Management Service transmitted, with a letter from Thomas Dunaway to Peter Douglas, Chevron's consistency certification for the amended DPP, incorporating all of the commitments given for the original proposal (CC-2-86) with three new amendments.

Chevron's inclusion of the mitigation measures indicates that the project could go forward successfully, in a reasonable period of time, as so mitigated. Although the Commission was unable to find certain impacts or components of the amended project to be in the public welfare (Section 30260(2)), it was able to determine that the measures committed to by Chevron were feasible under these circumstances.

The findings below, and those incorporated from the Staff Recommendation of September 9, 1986, identify the significant impacts which would result were the project to go forward with and without the mitigation measures committed to by the applicant. The public welfare discussion included in the discussion of Section 30260 below, contains the Commission's findings that its failure to approve the amended project at this time would not adversely affect the public welfare. The last section, entitled Alternatives, includes ways in which the project might be modified to be found consistent with the CCMP.

B. Coastal Act Issues

1. Marine and Coastal Resources

Coastal Act Sections 30230 and 30231 provide that marine resources and biological productivity shall be maintained, enhanced and where feasible restored.

The Commission finds that proposed construction and operation of the platform and pipeline would have an adverse effect upon marine and coastal resources because of the discharge of drilling wastes, disturbance of the water column, disturbance to the benthic communities and the potential risks of oil spills. The area surrounding Anacapa Island is unique and the endangered California

brown pelicans could be severely threatened in the event of an oil spill during the breeding or fledging seasons. The proposed project would impact the marine resources of the Channel Islands Marine Sanctuary and National Park. Because of the possibility of significant impact to marine resources and coastal productivity from the proposed project, the Commission concludes that it cannot find the project to be consistent with the marine resource protection policies of the CCMP (Coastal Act Sections 30230 and 30231).

The Commission has found that the platform and pipelines are coastal dependent industrial facilities. These types of developments, if found to be inconsistent with the resource policies of the Coastal Act, may nevertheless be permitted if found consistent with the requirements of Section 30260 described in section B.12. of this report. The Commission has several reasons for objecting to Chevron's proposal on the basis of Section 30260.

a. Commissioners Objecting On The Basis Of Location

These Commissioners find that the proximity of the project to Anacapa Island, the Channel Islands National Park and Marine Sanctuary poses unmitigable impacts upon significant marine and coastal resource areas. The level of oil spill and collision preparedness proposed by the project (available today as state-of-the-art) would not sufficiently protect the endangered California brown pelican and other marine and coastal resources in accordance with the Coastal Act. Preservation of these resources is necessary to serve the public welfare of the State of California. To concur with Chevron's project would expose these protected resources to so many risks and hazards such that a vote of objection is necessary under the public welfare provisions of Section 30260(2) of the Coastal Act.

b. Commissioners Objecting On The Basis of the Level of Mitigation

These Commissioners, objecting on the grounds of public welfare, do not find conflicts with Chevron's proposal under Section 30260 for the marine and coastal resource policy group.

c. Alternatives

i. Location: Under this policy group, some Commissioners find there are no alternatives available to Chevron that would enable the project to be found consistent with the CCMP at this time.

ii. Level of Mitigation: The Commission did not identify further mitigation that could be supplied to address marine and coastal resources under Section 30260.

2. Ocean Disposal of Oil Development Wastes

No change to the proposed findings contained in the Staff Recommendation of September 9, 1986.

3. Commercial Fishing

Coastal Act Sections 30230, 30231, 30234, 30250(a), 30255 and 30703 protect commercial fisheries and associated industries. The effects of this project upon the state's commercial fishing industry would affect associated land and water uses of the coastal zone. The economic and employment contributions the commercial fishing industry makes to California's economy are substantial. The Coastal Act requires that uses of the marine environment be carried out in a manner protecting organisms for commercial and other purposes.

Evidence supplied by fishermen and Department of Fish and Game data show that there would be impacts to commercial fishing resources and operations. For example, the vessel corridors have displaced a portion of the near-shore trapping, gillnetting, and hook and lining grounds; and trawling, purse seining and drift gillnetting activities would be displaced during construction and operation of the pipelines and platform. For these reasons, the Commission finds that the proposed project, even with the mitigation measures, would adversely impact commercial fishing activities and thus is inconsistent with Sections 30230, 30231, 30234, 30250(a) and 30255 of the CCMP.

a. Commissioners Objecting On The Basis Of Location

Some Commissioners find that the proximity of the project to Anacapa Island, the Channel Islands National Park and Marine Sanctuary poses unmitigable impacts upon significant marine and coastal resource areas. The level of oil spill and collision preparedness included in the amended project (available today as state-of-the-art) would not sufficiently protect the commercial fishing industry that trawls and purse seines in the vicinity of the project in the event of a major oil spill or catastrophe. This industry, as a significant contributor to the economy and public welfare of the State of California, would experience adverse effects from the project.

Mitigation measures offered by Chevron are extensive and substantial and several Commissioners find the proposed mitigation addresses the Coastal Act concerns for those who fish by trawling and purse seining. Some Commissioners find that the twelve mitigation measures (on page 37 of the Staff Recommendation of September 9, 1986); Chevron's commitment to partially fund a cumulative economic analysis; and the new gear loss or damage contingency fund for the purse-seiners supports the feasibility and public welfare findings of Section 30260. These Commissioners find the proposed project consistent with the Coastal Act for commercial fishing under the public welfare and maximum feasible mitigation provisions.

b. Commissioners Objecting On The Basis Of Level of Mitigation

Some Commissioners find that of the mitigation measures supplied by Chevron in the amended proposal, one is not consistent with Section 30260 for commercial fishing because the level of mitigation

is unwarranted. Some Commissioners also find: 1) the addition of a contingency fund for the San Pedro purse seine fleet is unnecessary because they did not conclude there would be a substantial adverse impact to these particular fishermen as a result of the project, and 2) other oil companies should not be expected to contribute costly mitigation measures in excess of direct environmental impacts or ones that could duplicate existing governmental programs.

c. Alternatives

i. Location: Under this policy group, some Commissioners find there are no alternatives available to Chevron that would enable the project to be found consistent with the CCMP at this time.

ii. Level of Mitigation: If clarifications were made to identify the amended mitigation measure for commercial fishing as being not mandatory under the Coastal Act, then some Commissioners could find consistency under Section 30260 for commercial fishing resources. Some Commissioners find that the original proposal with amendments (CC-2-86) by Chevron and the MMS, considered by the Commission in July 1986 constitutes an appropriate level of mitigation which is approvable under Section 30260.

4. Crude Oil Transportation

No change to the proposed findings contained in the Staff Recommendation of September 9, 1986.

5. Containment and Clean-up of Crude Oil Spills

The Commission finds that the effectiveness of offshore oil spill containment and clean-up equipment to recover spilled oil at sea, as demonstrated during numerous oil spills in United States waters and world wide, including the recent Puerto Rican tanker spill, causes serious doubts regarding the ability to protect the sensitive resources of Anacapa Island from an oil spill at or near Platform Gail. Furthermore, the Commission finds that the location of the lease tract, so near to Anacapa Island, the National Park and Marine Sanctuary, raises special considerations because of the inherent potential hazards of oil spills with resultant damage to sensitive marine and coastal resources.

a. Commissioners Objecting On The Basis Of Location

These Commissioners find that disapproval of this project at this time would not adversely affect the public welfare because risks to wildlife in the event of an oil spill that could occur if the proposed project were implemented, outweigh any effects upon the public which would result from objection to the project. These Commissioners find that even with state-of-the-art oil spill equipment, the project poses too many risks and potential impacts to coastal resources such that concurrence would substantially adversely affect public welfare as discussed in detail below.

b. Commissioners Objecting On The Basis Of The Level of Mitigation

These Commissioners did not identify containment and clean-up of crude oil spills as a reason for objection under Section 30260.

c. Alternatives

i. Location: Some Commissioners find that there are no alternatives to the proposed project in regard to oil spill clean-up and containment at this time to bring it into conformity with the public welfare provisions of the CCMP.

ii. Level of Mitigation: Some Commissioners find that no changes are necessary to Chevron's resubmitted proposal in order to find consistency under Section 30260 for this policy group. Chevron is providing state-of-the-art oil spill equipment and is therefore consistent with the maximum feasible mitigation policy.

6. Vessel Traffic Safety

The Commission finds that Chevron's proposed activities would be located 2,053 feet from the buffer area for the northbound shipping lane and that vessels in the apex of the "dogleg" would change course approximately 7.84 nautical miles from the platform.

Under Section 30262(d) of the Coastal Act, the Commission must find that:

"Platforms or islands will not be sited where a substantial hazard to vessel traffic might result from the facility or related operations...."

a. Commissioners Objecting On The Basis Of Location

These Commissioners find that the proposed location of the platform does pose a substantial hazard to vessel traffic safety, therefore, it is inconsistent with Section 30262 of the Coastal Act and an objection is necessary. Even with the inclusion of the Automatic Radar Plotting Aid (ARPA), the platform would be sited in a location resulting in a substantial hazard.

b. Commissioners Objecting On The Basis Of The Level of Mitigation

These Commissioners find that the proposed location of the platform does not pose a substantial hazard to vessel traffic safety and therefore is consistent with Section 30262(d) of the Coastal Act. These Commissioners voted to object on the grounds of public welfare (Section 30260), not on the grounds of substantial hazard (Section 30262(d)).

These Commissioners find that of the mitigation measures supplied by Chevron in the amended proposal, the provision of an

ARPA is not consistent with Section 30260 for vessel traffic safety because the level of mitigation is not necessary. The addition of an ARPA should not be required mitigation for all OCS projects, inclusion of this mitigation for this project could lead to the presumption that it is an accepted standard for concurrence. Some Commissioners find that the Coast Guard has not specifically recommended that Chevron provide an ARPA for the platform and given the other mitigation measures, the evidence does not support the conclusion that without the ARPA, there would be a substantial adverse impact as a result of the project. Other oil companies should not be expected to contribute costly mitigation measures in excess of direct environmental impacts. Therefore, the project is inconsistent with Section 30260.

c. Alternatives

i. Location: Under this policy group, some Commissioners find there are no alternatives available to Chevron that would enable the project to be found consistent with the CCMP at this time. Although these Commissioners find that Chevron has proposed mitigation to the maximum extent feasible for this aspect of the project, the project is in a location that would result in significant impacts on coastal resources.

ii. Level of Mitigation: If clarifications were made to identify the amended mitigation measure (the ARPA) for vessel traffic safety as being not mandatory under the Coastal Act, then some Commissioners would concur with consistency under Section 30260.

7. Geologic Hazards

No change to the proposed findings contained in the Staff Recommendation of September 9, 1986.

8. Air Quality

The Commission finds the proposed project consistent with Section 30253(3) of the Coastal Act, which states in part that:

"New development shall ... (3) [b]e consistent with the requirements imposed by an air pollution control district or the State Air Resources Control Board as to each particular development."

The Ventura County Air Pollution Control District correspondence, listed in the Substantive File Documents, indicates that Chevron's proposed mitigation measures are consistent with their requirements.

Section 30250 requires that new development be located where it will not have "significant effects, either individually or

cumulatively on coastal resources." The Commission finds that there will be significant effects both individually and cumulatively on coastal resources, therefore, the project is inconsistent with Section 30250 and in order to receive concurrence with the proposal it must be considered under Section 30260.

a. Commissioners Objecting On The Basis Of Location

These Commissioners find that the proposed mitigation measures would adequately protect coastal air quality, although the platform's location is unacceptable for other reasons. These Commissioners find the full offsetting of construction and operation impacts meets the concerns identified in the Commission's previous objection findings. Therefore, air quality provisions of the plan meet the public welfare provisions of Section 30260 of the Coastal Act and these Commissioners find the project consistent with the air quality provisions of the CCMP.

b. Commissioners Objecting On The Basis Of The Level of Mitigation

These Commissioners find that the amended proposal, which contains the difference between 95% and full (100%) offsets for construction emissions, poses a level of mitigation that is unwarranted and unnecessary under the public welfare Section 30260 of the Coastal Act. Other oil companies should not be subjected to the same standard of mitigation proposed by Chevron. Future oil developers may not be able to provide full offsets because offsets could be prohibitively expensive or unavailable. These Commissioners find that the public welfare is not served by applying such strict standards under the Coastal Act and therefore, Chevron's proposal is inconsistent under Section 30260.

c. Alternatives

i. Location: Although some Commissioners find the project consistent with the air quality provisions of the Coastal Act and do agree that Chevron has provided adequate mitigation measures to protect air quality in Ventura County, these Commissioners do object under Section 30260 because the project is in a location that would result in significant impacts on coastal resources.

ii. Level of Mitigation: If clarifications were made to identify the amended mitigation measure for air quality (the last 5 tons of offsets) as being not mandatory under the Coastal Act, then some Commissioners would vote to concur with consistency under Section 30260 for air quality. Some Commissioners find that the original proposal as amended prior to the Commission's July objection by Chevron (CC-2-86) with mitigation measures for air quality, constitutes an appropriate level of protection, and the Commissioners endorse that plan as being consistent with the public welfare.

9. Onshore Facilities

No change to the proposed findings contained in the Staff Recommendation of September 9, 1986.

10. Recreation and Scenic Resources

Because of its size and location, the Commission finds that Platform Gail would have adverse effects on views to and along the ocean and scenic coastal areas, from the mainland shore and Anacapa Island. Therefore, the proposed project is inconsistent with Coastal Act Sections 30210, 30221 and 30251 which call for the protection of scenic resources and recreational opportunities.

a. Commissioners Objecting On The Basis Of Location

These Commissioners find that the platform's location poses unmitigatable adverse visual impacts upon scenic resources, especially from state waters and tidelands around Anacapa Island. Since Anacapa is part of the Channel Islands National Park and an impressive public resource, the visual qualities of and from the island deserve special protection. Some Commissioners find that the adverse visual impacts are so great that to concur with the project would be adverse to the public welfare. These Commissioners endorse Chevron's proposal to provide recreational improvements on Anacapa Island as a means of offsetting the visual and recreational impacts. However, they find the proposed location of the platform to be inconsistent with the public welfare provisions of Section 30260(2).

b. Commissioners Objecting On the Basis Of The Level of Mitigation

Commissioners who voted to concur with Chevron's original submittal in July found that the mitigation measures for visual and scenic resources were consistent with the public welfare provisions of the Coastal Act, however, several Commissioners indicated their reservations about concurring with measures of this type in the future.

In this amended proposal, these Commissioners find that recreational improvements are not necessary as mitigation or offsets for Chevron's project. These Commissioners have strong reservations about the precedent of this action and the expectation that other oil companies would contribute to recreational services for the purposes of consistency determinations in the future. These Commissioners find that Chevron's proposed level of mitigation is unwarranted, therefore, the project is inconsistent with Section 30260.

c. Alternatives

i. Location: Under this policy group, some Commissioners find that there are no alternatives available to Chevron that would enable the project to be found consistent with the CCMP.

ii. Level of Mitigation: If clarifications were made to identify the amended mitigation measure for visual and recreational resources (fund for improvements to Anacapa Island) as being not mandatory under the Coastal Act, then some Commissioners would vote to concur with consistency under Section 30260.

iii. Other Alternatives: A majority of the Commissioners recognize Chevron's proposal to provide recreational improvements on Anacapa as being consistent with the public welfare sections of the Coastal Act. This was affirmed by failure of a motion to drop this mitigation or offset measure during the July hearing. The Commission adopted findings for Chevron's original project (CC-2-86) describe how this measure is consistent with the CCMP.

11. Archaeologic Resources

No change to the proposed findings contained in the Staff Recommendation of September 9, 1986.

12. Section 30260

The Commission has concluded above that it could not find consistency with many policies of the Coastal Act regarding various aspects of Chevron's consistency certification for its amended project. Therefore, the Commission has evaluated the proposal with respect to the override criteria set forth in Section 30260. The conditions of Section 30260 apply as additional requirements to all oil and gas facilities by virtue of the reference to Section 30260 in Section 30262.

Section 30260 contains three tests for project approval or concurrence. The Commission must find that there are no feasible, less environmentally damaging, alternative locations; that the project is mitigated to the maximum extent feasible, and that failing to concur would adversely affect the public welfare.

a. Least Environmentally Damaging Location

The first test of Section 30260 for concurrence, requires the Commission to find that there are no feasible, less environmentally damaging locations.

i. Commissioners Objecting On The Basis Of Location

Some Commissioners voting to object find there may be an alternative less environmentally damaging location that is currently unknown. Other Commissioners who object find that there are no feasible alternatives in terms of development of this particular oil

field, however, there are less sensitive locations elsewhere that should be developed before opening up this location to development. Some Commissioners find that under current circumstances, this location should not be developed, although there may come a time in the future when a severe energy shortage could necessitate development of this parcel, despite the risks and impacts, in the interest of national security. There are some Commissioners who find that this location should never be developed.

ii. Commissioners Objecting On The Basis Of The Level of Mitigation

The Commissioners who voted to object to the project on the basis of the level of mitigation find that there are no less environmentally damaging locations, and that the proposal is thus consistent with Section 30260(1).

b. Maximum Feasible Mitigation

The second test of Section 30260 for concurrence requires the Commission to find that the proposal offers maximum feasible mitigation for project impacts. Feasible is defined as being capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors (Section 30108).

i. Commissioners Objecting On The Basis Of Location

Some Commissioners find that Chevron has provided mitigation linked to the level of impacts and to the maximum extent feasible. However, some Commissioners find that an alternative location could be considered a mitigation measure. Some Commissioners find that Chevron has not demonstrated the feasibility or lack thereof of an alternative location or other mitigation measures thus, Chevron may not have mitigated projected impacts to the maximum extent feasible. Some Commissioners find that after mitigation, several impacts that cannot be mitigated remain. Some Commissioners find Chevron's project is consistent with Section 30260(3). Some Commissioners find Chevron's project inconsistent with Section 30260(3).

ii. Commissioners Objecting On The Basis Of The Level of Mitigation

Some Commissioners find that while mitigation measures may be feasible because Chevron has provided them as part of their project, they might not be warranted by the level of impacts and might not be feasible measures for subsequent oil and gas developers. Several Commissioners find that what Chevron has agreed to do and is feasible in this circumstance may not apply to other circumstances and it is not appropriate to define such a level of mitigation as being "the maximum feasible" for all future projects.

c. Public Welfare

Section 30260(2) specifies that in order to approve a coastal dependent industrial use that is not otherwise consistent with one or more Coastal Act policies, the Commission must find that "to do otherwise would adversely affect the public welfare." This condition requires more than a finding that, on balance, a project as proposed is in the interests of the public. It requires that the Commission find that there would be adverse impacts on the public welfare were the Commission to disapprove or object to a proposal. In addition, the Commission has interpreted this provision to raise the question of whether any effect on the public, which would result from its disapproval, is outweighed by its effects on the coastal environment. Finally, this section raises the question of whether environmental effects may feasibly be mitigated while preserving any national interest benefits of a project.

The potential adverse effects of this development activity which remain after application of the mitigation measures agreed to by Chevron include a variety of risks of impacts and several actual physical impacts. The risks involve the threat of oil spills which could occur in an upset condition during construction or normal operations of the platform, and the risks associated with collisions. Since the platform is so near a heavily trafficked area, and located only 2,053 feet from the buffer area adjacent to the northbound vessel traffic lane, the potential for incidents between large commercial vessels, recreational vessels and the platform is significant. Despite the fact that Chevron has a collision contingency plan and could "shut-in" the platform and pipelines with adequate notice, the possibility of a collision and resulting major oil spill does exist.

Another risk is the potential for contamination of the marine environment due to the disposal of wastes in the ocean. Research is not conclusive as to the possible long-term and cumulative effects on marine resources of waste discharges from oil and gas operations.

Another risk is the possibility of ground failure of the seafloor. The pipeline and platform would be situated on top of and in the vicinity of seafloor landslides. Faulting of a greater magnitude than was anticipated in the design of the project could occur and result in rupture or damage to project components. An oil spill could result under this scenario.

Oil spills and or toxic discharges pose highly significant risks of mortality to endangered wildlife in the vicinity of the project. The consequences of a spill occurring during the breeding or fledging seasons of the endangered California brown pelican would threaten the California population.

Physical aspects of the project that would remain after mitigation is applied include displacement of commercial fishermen from a known "prime" fishing spot. English and petrale sole and spot prawn have been fished in this area by trawlers and the

placement of the pipeline parallel to a productive trawl run may prevent or pose additional hazards to trawl equipment utilizing the pipeline corridor. After construction, both trawlers and pelagic fishermen would be precluded from the platform site and a surrounding buffer area. Disturbance of the water column and increased barge and boat traffic during construction would force fishermen to avoid the construction zones for approximately six months.

Air pollution emissions would worsen during construction and operation of the platform and pipeline due to unmeasured and unmitigated pollutants adversely affecting air quality and public health in and beyond Ventura County.

Finally, people who come to visit the Channel Islands National Park and Marine Sanctuary and appreciate the recreational and scenic pristine qualities of the Marine Sanctuary would encounter the impacts of a large, highly visible industrial structure adjacent to an undeveloped natural area. There would also be visual impacts from mainland coastal areas.

The Coastal Commission recognizes the importance of considering the national security and energy benefits which may result from oil and gas development. In this instance, the expected contribution from the Chevron project to existing reserves in production is expected to peak at 13,000 barrels per day for oil and 20 million standard cubic feet per day for gas. The Commission does not consider this contribution to the nation's energy reserves to be unimportant, although its importance is diminished by the fact that other fields may be more productive, and that less sensitive areas remain available for development.

The Commission finds that there are alternative areas with known oil reserves that are less sensitive, pose fewer risks to marine resources, and that may be developed to contribute to the nation's energy needs. The Commission further finds that the reserves at this site would remain available. Therefore, the Commission finds that disapproval of this project would not adversely affect the public welfare.

The Commission is aware that it has allowed exploration at this site. In making the public welfare determination, the Commission considers the national interest contribution of the project. In the case of a plan of exploration, the chief benefit to the public is derived from the identification and assessment of domestic oil reserves. This knowledge has value to the public independent of whether known oil reserves are permitted to be developed. This knowledge is useful in determining the public benefit which would be derived from development at a specific site as compared to other sites. In addition, this knowledge provides a data base for use in planning for future production and development, and increases the nation's readiness for development and production of oil supplies. In 1983, the Commission acted to concur with Chevron's plan of exploration, finding that the knowledge which would be derived was in the public interest.

In applying Section 30260(2), the Commission finds that the public welfare contributions of exploration and development differ. The Commission finds that more extensive environmental impacts are associated with production and development and that the availability and effectiveness of mitigation measures differ significantly. Exploration projects generally take 3-9 months, the life of a development and production facility is several decades. The Commission takes into consideration that it is production that makes oil and gas available to fulfill the nation's energy needs. However, these needs do not necessitate that development on this parcel begin immediately.

The prevailing Commissioners are evenly divided on why Platform Gail, the associated pipelines and proposed mitigation measures are inconsistent with the public welfare sections of the Coastal Act. The different reasons for objection are detailed below.

i. Commissioners Objecting On The Basis Of Location

These Commissioners find that the nation's energy needs do not necessitate that development on this parcel begin immediately, particularly in view of the sensitivity of the site, the availability of other sites for development and ongoing improvements in technology, which in the future, may enable development of this site to proceed with fewer environmental impacts.

These Commissioners find that Platform Gail's location--within 2,053 feet of the buffer zone for the vessel traffic lanes; within a half mile of the Marine Sanctuary and Channel Islands National Park; and within 6.5 miles of where the endangered California brown pelicans breed on Anacapa Island--poses a substantial and unique threat of environmental damage which will remain significant even if mitigation now available is applied.

These Commissioners also find that preservation of significant environmental resources is in the national interest. Both the Coastal Zone Management Act and the California Coastal Management Program, while providing for accommodation of coastal dependent industrial uses, including offshore oil production, recognize the importance of protecting natural and scenic resources. These Commissioners find that the unmitigated risks to marine and coastal resources are so great as to outweigh the particular benefit oil and gas development of this parcel would provide. Because of the remaining unmitigated impacts on coastal resources, these Commissioners find that concurrence with this proposal at this time would adversely affect the public welfare.

Therefore, by weighing the extent of the contribution the project would make to the national interest, by marginally increasing oil and gas production, and the extent to which impacts have been and may be mitigated, these Commissioners find that to concur with this proposal would adversely affect the public welfare and the national interest, and that disapproval of this project at this time would not be adverse to the public welfare. These

Commissioners find the resubmitted Development and Production Plan, inconsistent with the public welfare provisions of the California Coastal Act Section 30260(2).

ii. Commissioners Objecting On The Basis Of The Level of Mitigation

Several Commissioners have other reasons for objecting to this proposal. These Commissioners find that the need to develop domestic energy supplies does not require that development on this parcel begin immediately. These Commissioners find this project should be delayed because of the implications otherwise inherent for future oil development.

These Commissioners find that the additional mitigation measures in the amended project proposal go beyond that which should apply to consistency determinations. The amended proposal includes mitigation measures that relate to: commercial fishing, vessel traffic safety and air quality. Some Commissioners find that the increased costs to Chevron in providing these mitigation measures would, if approved, inhibit or restrict other oil companies, preclude new drilling in the long-term, and lead to even greater adverse environmental adverse effects. These Commissioners are concerned that an adverse precedent would be set by concurrence with a project that contained these measures.

These Commissioners find that the mitigation measures added in response to the Commission's previous findings do not accomplish the objectives of orderly economic development as expressed by Sections 30001.5 and 30001(d), and therefore, the proposal as amended is not in the public interest. These Commissioners find that Chevron's original proposal (CC-2-86) contains an appropriate level of mitigation in this circumstance, as described in the Adopted Commission Findings of July 29, 1986. These Commissioners find that disapproval of this project at this time would not be adverse to the public welfare. Thus, these Commissioners find the proposed Development and Production Plan, as amended, inconsistent with the public welfare provisions of the California Coastal Act Section 30260(2).

13. Alternatives

It is important to note when considering reasonable alternatives that would enable the Commission to find the project consistent with the CCMP, upon further consideration, particularly in light of new information, the Commission could reach a different result. The vote was based upon unique circumstances and the available information presented. Similarly, application of the discretionary terms of Coastal Act policies to future proposals will take place in the context of the facts and circumstances before the Commission. Each project is evaluated individually against relevant Coastal Act policies, based upon various project components and conditions.

Given the various reasons for objection stated above, including location, there are several alternatives available that if proposed by Chevron, may in the future be determined by the Commission to bring the project into conformity with the CCMP. The range of alternatives consists of: the provision of more information on the feasible alternative locations within this oil field; movement of the vessel traffic lanes outside of the Santa Barbara Channel to lessen the risks of collision with the platform; change in the national oil supply picture; and the provision of additional information on the need for and costs of various mitigation measures.

CALIFORNIA COASTAL COMMISSION

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File Number: CC-36-86
Date Filed: 7/15/86
3 Month Period Ends: 10/14/86
Staff: D. Bates &
Energy Staff
Date of Decision: 9/9/86
Hearing Date for Revised Findings: 10/7/86

PROPOSED COMMISSION FINDINGS ON CONSISTENCY CERTIFICATION *APPLICANT FOR FEDERAL PERMIT:

Chevron U.S.A., Inc.

PROJECT LOCATION:

Offshore on Lease OCS P-0205 approximately 24 miles southeast of Santa Barbara, 11 miles southwest of Ventura and 6 miles north of Anacapa Island in the Santa Barbara Channel. (see Exhibit 1.)

PROJECT DESCRIPTION:

Platform Gail: One thirty-six (36)-slot drilling and production platform on Lease OCS P-0205 in 739 feet of water. Three (3) new subsea pipelines (oil, gas and a spare) running approximately 6 miles to the northwest from Platform Gail to Platform Grace.

SUBSTANTIVE FILE DOCUMENTS: See Appendix A in Staff Recommendation.

PREVAILING COMMISSIONERS:

Garrett, MacElvaine, Knapp, Malcolm, McInnis, McMurray, Wornum and Wright

* NOTE: Because of the time constraints, these Proposed Commission Findings include only the revised wording to be considered by the Commission for adoption on October 7, 1986. These findings should be read along with the September 9, 1986 Staff Recommendation. References to concurrence will be modified in accordance with the Commission action. Portions of the Staff Recommendation will be rearranged, as appropriate, to prevent duplication. Previous Commission Concerns, contained in the Staff Recommendation of September 9, 1986, shall be incorporated with the Adopted Commission Findings.

Findings for each policy group consist of facts, analyses and conclusions. This report contains suggested changes to analyses and conclusionary statements contained in the staff recommended findings. The findings of fact and all background data and supporting documentation shall remain as considered by the Commission on September 9, 1986, with the exception of any necessary conforming changes. The analyses and conclusions will be changed in accordance with Commission direction at the October 7, 1986 meeting. Language which states "staff recommends" will be changed to "the Commission finds" or "some Commissioners find," as appropriate. Commission staff will integrate the two documents and publish the complete Adopted Commission Findings after Commission action on October 7, and prior to October 14, 1986.

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Background and Summary of Commission Action

The original Chevron Platform Gail Development and Production Plan (DPP) was filed by the Commission on January 10, 1986. Staff requested additional information from MMS and Chevron on March 31, 1986. The Commission held public hearings and considered the Summary of Issues on June 10, 1986 and the original Staff Recommendation on July 8, 1986. The Commission voted to object to Chevron's original proposal on July 8, 1986 and adopted findings of objection on July 10, 1986.

On September 9, 1986, the Commission held a public hearing and (with a 4 to 8 vote on a motion for approval) objected to the consistency certification for Chevron's amended Development and Production Plan (DPP) for Platform Gail and associated pipelines on OCS Lease Tract P-0205, located 6.5 miles north of Anacapa Island in the Santa Barbara Channel. The amended DPP was received from the Minerals Management Service (MMS) on July 15, 1986. The amended plan contained the original proposal (CC-2-86), all amendments made prior to July 8, 1986 and further measures proposed by Chevron to address vessel traffic safety, air quality, and commercial fishing issues. Chevron also provided additional information on the locational constraints of alternative sites for the proposed platform and pipelines. The reasons for the Commission's objection to Chevron's proposal are explained herein.

This case is unusual and complex, but comparable to others wherein a certain decision resulted from a combination of factors having significantly different effects in the minds of individual Commissioners. This is not uncommon where a diverse group of individuals is asked to make decisions on complex, multi-faceted and controversial matters. Thus, in this case, two groupings of Commissioners on the prevailing side reached the same conclusion for very different reasons.

Although it is clear that the Commission as a whole agreed that some measures to mitigate the impacts of the project were necessary and appropriate to find consistency with California's Coastal Zone Management Program, there were differences of opinion as to the appropriateness of the "final package" of mitigation measures contained in Chevron's plan as it then stood before the Commission. A clear majority of the Commission appeared to be supportive of the mitigation measures contained in the plan. (Note: No formal vote was taken on this question.)

Several Commissioners expressed the opinion that notwithstanding their support for the strong mitigation components of the plan and that they constitute targets other offshore oil and gas developers should aim for, this particular platform was simply in the wrong location and therefore could not be mitigated to resolve their concerns.

The others supporting the mitigation measures contained in

Chevron's amended submittal did not share the degree of concern about locational issues expressed by other Commissioners and thus voted in favor of the consistency certification and the staff recommendation. Although these members of the Commission were not on the "prevailing side" for purposes of the adoption of these findings, their position is significant and should be reflected in this document in part because the entire Commission would review and act on any alternative project.

Commissioners whose concerns about locational issues could not be satisfactorily addressed concluded that the proximity of the proposed platform to Anacapa Island and the Channel Islands National Park and Marine Sanctuary would result in undue risks of oil spills and other impacts to important marine and coastal resources, specifically the endangered California brown pelican which nests and breeds on Anacapa Island.

Another reason for objection by these Commissioners was the proximity of the platform to the vessel traffic safety lanes and the resulting risk of collisions. These Commissioners concluded that under the Coastal Act, these anticipated project impacts would be unmitigable if the platform were placed in the proposed location. Given the state of oil spill prevention and clean-up technology, the risks to coastal and marine life, and the adverse visual effects upon scenic resources, these Commissioners find that it would not be in the national or state-wide public interest to concur in the consistency certification for the project because the project conflicts with many applicable Coastal Act policies and is inconsistent with the public welfare provisions of Section 30260(2).

Several Commissioners on the prevailing side did not base their decision on concerns about location, but rather on the fact that the project contained mitigation measures in excess of that which they felt should be required for approval and which if approved by the Commission could over the long-term, result in yet greater adverse impacts on coastal zone resources in part due to circumvention of the consistency process and depletion of available resources for mitigation of future projects.

Concern was expressed about the fact that approval with the total package of mitigation measures could establish a standard that other offshore producers could not meet and thereby result in frustrating Coastal Act objectives calling for "...orderly, balanced utilization and conservation of coastal zone resources..." (Section 30001.5). In considering the legislative finding that "future developments are essential to the economic and social well-being of the people of this state" (Section 30001(d)) these Commissioners could not conclude that the public welfare would best be served by approval of this project (Section 30260(2)).

Alternatives

Under the federal regulations (13 C.F.R. Sections 930.64(b) and 930.79) and the Commission's regulations (Section 13660.8 (3)), the findings adopted in support of an objection to a consistency

certification must describe alternative measures or conditions (if they exist) which would make the activity consistent with the California Coastal Management Program (CCMP) policies. Since Commissioners on the prevailing side had different reasons for objecting, the alternative measures which would enable a majority to find consistency are different. The following reflects the alternatives available under each set of reasons.

While the findings are to be adopted by a majority of the prevailing side, pursuant to the Commission's regulations, the views of those Commissioners voting to concur with the project are relevant to the consideration of alternatives as the entire Commission would have to vote on the consideration of any future submittal.

The Commissioners who voted to object primarily because of location find there are no feasible alternatives or mitigation measures available that would appreciably reduce the risks to marine and coastal resources as a result of oil spills, collision or other impacts resulting from the project. These Commissioners cite the unmitigable visual impacts on recreational use of the Channel Island National Park and state waters surrounding Anacapa Island. These Commissioners find that Chevron's proposals go a long way toward mitigating these impacts, however, given the marginal performance of state-of-the-art oil spill technology and unsurmountable proximity issues, Chevron cannot develop this oil field at this time and prevent adverse impacts and/or significant risks to marine and coastal resources, and adequately protect the public interests of the State of California as required under the CCMP. These Commissioners find that less environmentally sensitive areas should be developed for oil before this project should go forward.

An alternative that would enable several Commissioners who voted to object due to anticipated conflicts over future oil development to find consistency is that Chevron return with its original DPP submittal to the Commission. These Commissioners believe that the amended proposal contains certain measures that are not mandatory under the Coastal Act. While Chevron has proposed in its amended proposal additional environmental protection measures for the following policy groups: air quality, vessel traffic safety and commercial fishing, these Commissioners find that these additional measures are unnecessary in order to meet Coastal Act policies, and would pose undue economic burdens on oil companies proposing subsequent development. These Commissioners thus find that the original proposal with amendments (CC-2-86), offered by Chevron prior to the Commission vote in July 1986, constitutes an appropriate level of mitigation, approvable under the Coastal Act and consistent with the CCMP.

Another alternative would include a modified project containing some, but not all of the mitigation measures of the amended proposal. Under this alternative Chevron could provide additional information to substantiate the effects, or lack thereof, on coastal resources such that while the project could go forward with the mitigation in place, it may be shown to be unnecessary in light of a limited effect upon coastal resources.

Organization of Findings

The Commission's September 9, 1986 objection action requires the adoption of findings. As an amended submittal, a three month review period, ending October 14, 1986, applies. Because of the Commission meeting schedule, the findings have to be adopted at the October meeting.

Staff has prepared only the new revised findings needed to support Commission action. The findings in this document include all the major changes to the findings and should be read along with the September 9, 1986 Staff Recommendation (attached). After Commission action on October 7, staff will integrate the changes into the remaining findings, along with any necessary conforming changes, and publish a complete document by October 14, 1986.

These findings of objection shall become the official findings of the Commission with respect to Chevron's amended project CC-36-86 as submitted.

I. RESOLUTION

Objection

The Commission hereby objects to the consistency certification made by Chevron U.S.A. for proposed Platform Gail (a thirty-six slot drilling and production platform on Lease OCS P-0205) and three new subsea pipelines (from Platform Gail to Platform Grace) because the installation and operation of this platform would not be carried out in a manner consistent with the mandatory policies of the California Coastal Act, and the California Coastal Management Program (CCMP). This objection may be appealed to the Secretary of Commerce within 30 days of the Commission's decision pursuant Section 307(c)(3)(b) of the CZMA in accordance with Department of Commerce regulations found in 15 CFR Section 930.120 et seq. (Subpart H).

II. FINDINGS AND DECLARATIONS

The Background and Summary of Commission Action, Alternatives, Organization of Findings, Resolution, Exhibits and Appendices shall be incorporated by reference as Commission Findings within the following, adopted Findings and Declarations.

The Commission finds and declares as follows:

A. Procedural Considerations

Appeal

Regulations adopted by the Secretary of Commerce to implement Section 307 of the Coastal Zone Management Act (CZMA) require that the Commission's findings notify the applicant of the right to appeal the Commission's objection to the Secretary of Commerce.

Chevron may appeal the Commission's decision in accordance with the provision of Subpart H of the Secretary's regulations (15 C.F.R. Section 930.120 et seq.). Any appeal must be filed within 30 days of the Commission's objection. The grounds for appeal are that the project is consistent with the objectives or purposes of the CZMA or necessary in the interest of national security.

Chevron may resubmit either before or after action by the Secretary. In either case, the Commission would review the submittal in three months. (15 C.F.R. Section 930.84)

The project placed before the Commission through MMS' submittal of Chevron's consistency certification includes all of the mitigation proposed by Chevron as described in Background and Summary of Commission Action above. As discussed in the Commission's previous objection findings, the DPP before the Secretary of Commerce, if Chevron pursues its appeal, would include these measures. The authority of the Secretary on appeal is to approve the plan objected to by the state agency if he finds the submittal consistent with the objectives and purposes of the CZMA or necessary in the interest of national security.

If, as a result of any other subsequent federal review, changes are made in the amended DPP as submitted to the Commission, the changes must be considered under provisions of the CZMA and federal regulations requiring resubmittal to affected state agencies.

Resubmittal

These findings are based upon Chevron's submittal of an amended plan (CC-36-86) which was proposed to answer Commission objections to the original plan (CC-2-86). Chevron may resubmit another proposal at a later date and, if changes to the DPP are made, may be required to submit an amended consistency certification in accordance with the CZMA and applicable federal regulations.

Regulations adopted by the Department of Interior (DOI) make clear that the applicant is permitted to resubmit an amended OCS plan as an alternative to appealing to the Secretary of Commerce. Specifically, the regulations state:

If a development and production plan is disapproved because a State objects to the lessee's coastal zone consistency certification, the lessee shall modify the plan to accommodate the State's objection(s) and resubmit the plan to: (i) The Director for review...; (ii) Through the Director, to the State for review pursuant to the Coastal Zone Management Act and the implementing regulations...Alternatively, the lessee may appeal the State's objection to the Secretary of Commerce. (30 C.F.R. Section 250.34-2(h) (2); (emphasis added.)

DOI must disapprove a plan which has not received state concurrence, unless concurrence is conclusively presumed, or the Secretary of Commerce overrides the state objection (30 C.F.R. Section 250.34-2(g)).

Content of Findings

In addition to requiring that a state objecting to a consistency certification notify the applicant of the right to appeal, the Department of Commerce regulations contain specific requirements for the objection findings. Section 930.79 specifies that if the state agency objects to one or more of the federal license or permit activities in the OCS plan, the findings must contain a "separate discussion for each objection in accordance with the directives within Section 930.64(b) and (d)." Under Section 930.64(b), the objection must (1) describe how the activity is inconsistent with specific elements of the management program, and (2) identify alternative measures, if they exist, which would permit the proposed activity to go forward in a manner consistent with the management program. Under 930.64(d), the objection may be based on the applicant's failure to supply information requested in writing by the state agency. Where the Commission objects on this basis, its findings must describe the nature of the information requested and the necessity of having such information to determine the consistency of the activity with the management program.

The Commission's regulations reflect these requirements. Section 13660.8 provides that an objection shall indicate:

- (1) the effect which the activity will have on land and water uses of the coastal zone,
- (2) how the activity is inconsistent with a mandatory provision of the CCMP;
- (3) alternative measures or conditions (if they exist) which would make the activity consistent with CCMP policies,
- (4) if a decision to object is based upon grounds that the applicant has failed to provide information requested by the Executive Director, the type of information requested and the necessity of that information for a consistency certification must be described, and
- (5) the applicant's right of appeal to the Secretary of Commerce on the grounds that the activity is consistent with the objectives or purposes of the CZMA or necessary in the interest of national security.

Content of the Development and Production Plan

The DPP before the Commission includes all of the extensive measures agreed to by Chevron to mitigate the impacts of the project as originally proposed. These commitments are contained in detailed correspondence between Chevron, the Minerals Management Service and the Commission as listed in the Substantive File Documents (Appendix A), each of which was specifically incorporated into the DPP.

On July 15, 1986, the Minerals Management Service transmitted with a letter from Thomas Dunaway to Peter Douglas Chevron's consistency certification for the amended DPP, incorporating all of the commitments given for the original proposal (CC-2-86) with three new amendments.

Chevron's inclusion of the mitigation measures indicates that the project could go forward successfully, in a reasonable period of time, as so mitigated. Although the Commission was unable to find certain impacts of the project to be in the public welfare (Section 30260(2)), it was able to determine that the measures committed to by Chevron were feasible under these circumstances.

The findings below, and those from the Staff Recommendation of September 9, 1986, identify the significant impacts which would result were the project to go forward with and without the mitigation measures committed to by the applicant. Additionally, the public welfare discussion included in Section 30260 below, contains the Commission's findings that its failure to approve the project would not adversely affect the public welfare.

B. Coastal Act Issues

1. Marine and Coastal Resources

Coastal Act Sections 30230 and 30231 provide that marine resources and biological productivity shall be maintained, enhanced and where feasible restored.

The Commission finds that proposed construction and operation of the platform and pipeline would have an adverse effect upon marine and coastal resources because of the discharge of drilling wastes, disturbance of the water column, disturbance to the benthic communities and the potential risks of oil spills. The area surrounding Anacapa Island is unique and the endangered California brown pelicans could be severely threatened in the event of an oil spill during the breeding or fledging seasons. The proposed project would impact the marine resources of the Channel Islands Marine Sanctuary and National Park. Because of the possibility of significant impact to marine resources and coastal productivity from the proposed project, the Commission concludes that it cannot find the project to be consistent with the marine resource protection policies of the CCMP (Coastal Act Sections 30230 and 30231).

There are two main reasons behind objection on the grounds of public welfare, however only one of them applies to the policy group of marine and coastal resources and Chevron's proposed mitigation measures. Both reasons will be expounded in Section 12 at the conclusion of this report.

Some Commissioners find that the proximity of the project to Anacapa Island, the Channel Islands National Park and Marine Sanctuary poses unmitigable impacts upon significant marine and coastal resource areas. The level of oil spill and collision preparedness proposed by the project (available today as state-of-the-art) would not sufficiently protect the endangered California brown pelican and other marine and coastal resources in accordance with the Coastal Act. Preservation of these resources is necessary to serve the public welfare of the State of California. To concur with Chevron's project would expose these protected resources to too many risks and hazards such that a vote of objection is necessary

under the public welfare section 30260(2) of the Coastal Act. Furthermore, under this policy group, some Commissioners find there are not alternatives available to Chevron that would enable the project to be found consistent with the CCMP at this time.

2. Ocean Disposal of Oil Development Wastes

No change.

3. Commercial Fishing

Coastal Act Sections 30230, 30231, 30234, 30250(a), 30255 and 30703 protect commercial fisheries and associated industries. The effects of this project upon the state's commercial fishing industry would affect associated land and water uses of the coastal zone. The economic and employment contributions the commercial fishing industry makes to California's economy are substantial. The Coastal Act requires that uses of the marine environment be carried out in a manner protecting organisms for commercial and other purposes.

Evidence supplied by fishermen and Department of Fish and Game data show that there would be impacts to commercial fishing resources and operations. For example, the vessel corridors have displaced a portion of the near-shore trapping, gillnetting, and hook and lining grounds; and trawling, purse seining and drift gillnetting activities would be displaced during construction and operation of the pipelines and platform. For these reasons, the Commission finds that the proposed project, even with the mitigation measures, would adversely impact commercial fishing activities and thus is inconsistent with Sections 30230, 30231, 30234, 30250(a) and 30255 of the CCMP.

The Commission has found that the platform and pipelines are coastal dependent industrial facilities. These types of developments, if found to be inconsistent with the resource policies of the Coastal Act, may nevertheless be permitted if found consistent with the requirements of Section 30260, summarized below.

Some Commissioners find that the proximity of the project to Anacapa Island, the Channel Islands National Park and Marine Sanctuary poses unmitigable impacts upon significant marine and coastal resource areas. The level of oil spill and collision preparedness proposed by the project (available today as state-of-the-art) would not sufficiently protect the commercial fishing industry that trawls and purse-seines in the vicinity of the project in the event of a major oil spill or catastrophe. This industry, as a significant contributor to the economy and public welfare of the State of California, would experience adverse effects from the project.

Mitigation measures offered by Chevron are extensive and substantial and several Commissioners find the proposed mitigation addresses the Coastal Act concerns for those who fish by trawling and purse-seining. Some Commissioners find that the twelve

mitigation measures (on page 37 of the Staff Recommendation of September 9, 1986); Chevron's commitment to partially fund a cumulative economic analysis; and the new gear loss or damage contingency fund for the purse-seiners supports the feasibility and public welfare findings of Section 30260. These Commissioners find the proposed project consistent with the Coastal Act for commercial fishing under the public welfare and maximum feasible mitigation provisions.

Other Commissioners find that the mitigation measures supplied by Chevron in the amended proposal are not consistent with Section 30260 for commercial fishing whereas the original proposal is consistent. An alternative agreeable to these Commissioners, which would bring the project into conformity with the CCMP override provisions, would involve a return with regard to the fishing mitigation package, to the original proposal with amendments (CC-2-86) by Chevron and the MMS, considered by the Commission in July 1986. These Commissioners voted to concur with the original proposal and object to the amended proposal on the basis of Section 30260. Further discussion of the Section 30260 findings is contained below.

4. Crude Oil Transportation

No change.

5. Containment and Clean-up of Crude Oil Spills

The Commission finds that the effectiveness of offshore oil spill containment and clean-up equipment to recover spilled oil at sea, as demonstrated during numerous oil spills in United States waters and world wide, including the recent Puerto Rican tanker spill, causes serious doubts regarding the ability to protect the sensitive resources of Anacapa Island from an oil spill at or near Platform Gail. Furthermore, the Commission finds that the location of the lease tract, so near to Anacapa Island, the National Park and Marine Sanctuary, raises special considerations because of the inherent potential hazards of oil spills with resultant damage to sensitive marine and coastal resources.

Some Commissioners find that disapproval of this project would not adversely affect the public welfare because risks to wildlife in the event of an oil spill that could occur if the proposed project were implemented, outweigh any effects upon the public which would result from objection to the project. These Commissioners find that the project poses too many risks and potential impacts to coastal resources such that concurrence would substantially adversely affect public welfare as discussed in detail below. These Commissioners find that there are no alternatives to the proposed project at this time to bring it into conformity with the public welfare provisions of the CCMP.

There are two reasons behind objection on the grounds of public welfare, however only one of them applies to the policy group of oil spills, as described above. Both reasons are explained in depth at the conclusion of this report.

6. Vessel Traffic Safety

The Commission finds that Chevron's proposed activities would be located 2,053 feet from the buffer area for the northbound shipping lane and that vessels in the apex of the "dogleg" would change course approximately 7.84 nautical miles from the platform.

Under Section 30262(d) of the Coastal Act, the Commission must find that:

"Platforms or islands will not be sited where a substantial hazard to vessel traffic might result from the facility or related operations...."

Some Commissioners find that the proposed location of the platform does pose a substantial hazard to vessel traffic safety. Because it is thus inconsistent with this section of the Coastal Act, they objected to the proposal. Even with the inclusion of the Automatic Radar Plotting Aid (ARPA), the platform would be sited in a hazardous location. These Commissioners find there are no alternatives at this time that would bring Chevron's proposal into conformity with Section 30262(d) of the Coastal Act. Furthermore, although these Commissioners find that Chevron has proposed mitigation to the maximum extent feasible for this aspect of the project, the project is inconsistent with the public welfare provisions of the Coastal Act, Section 30260(2), as described below which applies as an additional standard to those in Section 30262.

Other Commissioners find that the proposed location of the platform does not pose a substantial hazard to vessel traffic safety and therefore, it is consistent with Section 30262(d) of the Coastal Act. These Commissioners voted to object on the grounds of public welfare (Section 30260), not on the grounds of substantial hazard (Section 30262(d)). An alternative that would enable these Commissioners to concur with the proposal as being in conformity with the Coastal Act would involve a return to Chevron's original proposal (CC-2-86). These Commissioners find Chevron's original proposal as being consistent with the CCMP.

7. Geologic Hazards

No change

8. Air Quality

The Commission finds the proposed project consistent with Section 30253(3) of the Coastal Act, which states in part that:

"New development shall ... (3) [b]e consistent with the requirements imposed by an air pollution control district or the State Air Resources Control Board as to each particular development."

The Ventura County Air Pollution Control District correspondence, listed in the Substantive File Documents, indicates that Chevron's proposed mitigation measures are consistent with their requirements.

Section 30250 requires that new development be located where it will not have "significant effects, either individually or cumulatively on coastal resources." The Commission finds that there will be significant effects both individually and cumulatively on coastal resources, therefore, the project is inconsistent with Section 30250 and in order to receive concurrence with the proposal it must be considered under Section 30260. As described above, and in greater detail at the conclusion of this report, the Commission finds that there are different reasons for objection to the project on the basis of public welfare. As also described below in Section 12, there are different conclusions with respect the adequacy of mitigation.

Some Commissioners find that the proposed mitigation measures would adequately protect coastal air quality, although the platform's location is unacceptable for other reasons. These Commissioners find the full offsetting of construction and operation impacts meets the concerns identified in the Commission's previous objection findings. Therefore, air quality provisions of the plan meet the public welfare provisions of Section 30260 of the Coastal Act and these Commissioners find the project consistent with the air quality provisions of the CCMP.

Some Commissioners find that the amended proposal, which contains additional air quality mitigation measures, is not consistent with the public welfare policy of the Coastal Act. These Commissioners find that the original proposal as amended prior to the Commission's July objection by Chevron (CC-2-86) with mitigation measures for air quality, constitutes an appropriate level of protection, and the Commissioners endorse that plan as being consistent with the public welfare.

9. Onshore Facilities

No change.

10. Recreation and Scenic Resources

Because of its size and location, the Commission finds that Platform Gail would have adverse effects on views to and along the ocean and scenic coastal areas, from the mainland shore and Anacapa Island. Therefore, the proposed project is inconsistent with Coastal Act Sections 30210, 30221 and 30251 which call for the protection of scenic resources and recreational opportunities.

The Commission may consider the project for approval under Section 30260 if inconsistent with other Coastal Act policies, in addition to consideration of these standards pursuant to Section 30262. The Commission findings focus on part two of Section 30260, public welfare.

Some Commissioners find that the platform's location poses unmitigatable adverse visual impacts upon scenic resources, especially from state waters and tidelands around Anacapa Island. Since Anacapa is part of the Channel Islands National Park and an impressive public resource, the visual qualities of and from the island deserve special protection. Some Commissioners find that the adverse visual impacts are so great that to concur with the project would be adverse to the public welfare. These Commissioners find the proposal, despite beneficial offset measures that would fund improvements for public recreational facilities, to be inconsistent with the public welfare provisions of Section 30260(2). These Commissioners find there are no alternatives which would bring the project into conformity with these provisions of the Coastal Act.

Some Commissioners voting against the project due to conflicts with the location of the platform and Coastal Act policies, endorse Chevron's proposal to provide recreational improvements on Anacapa Island as a means of offsetting the visual and recreational impact.

A majority of the Commissioners recognize Chevron's proposal to provide recreational improvements on Anacapa as being consistent with the public welfare sections of the Coastal Act. This was affirmed by failure of a motion to drop this mitigation or offset measure during the July hearing. The Commission adopted findings for Chevron's original project (CC-2-86) describe how this measure is consistent with the CCMP.

Other Commissioners, although on the prevailing side here, find that recreational improvements are not necessary as mitigation or offsets for Chevron's project. These Commissioners have strong reservations about the precedent of this action and the expectation that other oil companies would contribute to recreational services for the purposes of consistency determinations in the future.

11. Archaeologic Resources

No change.

12. Section 30260

The Commission has concluded above that it could not find consistency with many policies of the Coastal Act regarding various aspects of Chevron's consistency certification. Therefore, the Commission has evaluated the proposal with respect to the override criteria set forth in Section 30260. The conditions of Section 30260 apply as additional requirements to all oil and gas facilities by virtue of the reference to Section 30260 in Section 30262.

Section 30260 contains three tests for project approval or concurrence. The Commission must find that there are no feasible, less environmentally damaging, alternative locations; that the project is mitigated to the maximum extent feasible, and that failing to concur would adversely affect the public welfare.

The first test of Section 30260 for concurrence, requires the Commission to find that there are no feasible, less environmentally damaging locations. The Commissioners who voted to concur with the project, agree with this finding. Some Commissioners who voted to object to the project also find that there are no less environmentally damaging locations, and that the proposal is thus consistent with Section 30260(1).

However, other Commissioners voting to object find that there might be an alternative less environmentally damaging location than what is currently known. Other Commissioners who object find that there are no feasible alternatives in terms of development of this particular oil field, however, there are less sensitive locations elsewhere that should be developed before opening up this location to development. Some Commissioners find that under current circumstances, this location should not be developed, although there may come a time in the future when a severe energy shortage could necessitate development of this parcel, despite the risks and impacts, in the interest of national security. There are some Commissioners who find that this location should never be developed, no matter what the circumstances.

It is important to note when considering reasonable alternatives that would enable the Commission to find the project consistent with the CCMP, upon further consideration, particularly in light of new information, the Commission could reach a different result. The vote was based upon unique circumstances and the available information presented. Similarly, application of the discretionary terms of Coastal Act policies to future proposals will take place in the context of the facts and circumstances before the Commission. Each project is evaluated individually against relevant Coastal Act policies, based upon various project components and conditions.

Given the various reasons for objection stated above, including location, there are several alternatives available that if proposed by Chevron, may in the future be determined by the Commission to bring the project into conformity with the CCMP. The range of alternatives consists of: the provision of more information on the feasible alternative locations within this oil field; movement of the vessel traffic lanes outside of the Santa Barbara Channel to lessen the risks of collision with the platform; change in the national oil supply picture; and the provision of additional information on the need for and costs of various mitigation measures.

The second test of Section 30260 for concurrence requires the Commission to find that the proposal offers maximum feasible mitigation for project impacts. The Commissioners who voted to concur with the project agree that Chevron has provided mitigation linked to the level of impacts and to the maximum extent feasible. Other Commissioners who voted to object find that Chevron's proposal is consistent with this policy. Some Commissioners on the prevailing side, while finding that Chevron is consistent with this policy, conclude that several impacts that cannot be mitigated

remain. Some Commissioners find that while mitigation measures may be feasible because Chevron has provided them as part of their project, they might not be warranted by the level of impacts and might not be feasible measures for subsequent oil and gas developers. Feasible is defined as being capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors (Section 30108). Several Commissioners find that what Chevron has agreed to do and is feasible in this circumstance may not apply to other circumstances and it is not appropriate to define such a level of mitigation as being "the maximum feasible" for all future projects.

Section 30260(2) specifies that in order to approve a coastal dependent industrial use that is not otherwise consistent with one or more Coastal Act policies, the Commission must find that "to do otherwise would adversely affect the public welfare." This condition requires more than a finding that, on balance, a project as proposed is in the interests of the public. It requires that the Commission find that there would be adverse impacts on the public welfare were the Commission to disapprove or object to a proposal. In addition, the Commission has interpreted this provision to raise the question of whether any effect on the public, which would result from its disapproval, is outweighed by its effects on the coastal environment. Finally, this section raises the question of whether environmental effects may feasibly be mitigated while preserving any national interest benefits of a project.

The potential adverse effects of this development activity which remain after application of the mitigation measures agreed to by Chevron include a variety of risks of impacts and several actual physical impacts. The risks involve the threat of oil spills which could occur in an upset condition during construction or normal operations of the platform, and the risks associated with collisions. Since the platform is so near a heavily trafficked area, and located only 2,053 feet from the buffer area adjacent to the northbound vessel traffic lane, the potential for incidents between large commercial vessels, and similiar recreational vessels not restricted to the traffic lanes, is significant. Despite the fact that Chevron has a collision contingency plan and could "shut-in" the platform and pipelines with adequate notice, the possibility of a collision and resulting major oil spill does exist.

Another risk is the potential for contamination of the marine environment due to the disposal of wastes in the ocean. Research is not conclusive as to the possible long-term and cumulative effects on marine resources of waste discharges from oil and gas operations.

Another risk is the possibility of ground failure of the seafloor. The pipeline and platform would be situated on top of and in the vicinity of seafloor landslides. Faulting of a greater magnitude than was anticipated in the design of the project could occur and result in rupture or damage to project components. An oil spill could result under this scenario.

Oil spills and or toxic discharges pose highly significant risks of mortality to endangered wildlife in the vicinity of the project. The consequences of a spill occurring during the breeding or fledging seasons of the endangered California brown pelican would threaten the California population.

Physical aspects of the project that would remain after mitigation is applied include displacement of commercial fishermen from a known "prime" fishing spot. English and petrale sole and spot prawn have been fished in this area by trawlers and the placement of the pipeline parallel to a productive trawl run may prevent or pose additional hazards to trawl equipment utilizing the pipeline corridor. After construction, both trawlers and pelagic fishermen would be precluded from the platform site and a surrounding buffer area. Disturbance of the water column and increased barge and boat traffic during construction would force fishermen to avoid the construction zones for approximately six months.

Air pollution emissions could worsen during construction and operation of the platform and pipeline due to unmeasured and unmitigated pollutants adversely affecting air quality and public health in and beyond Ventura County.

Finally, people who come to visit the Channel Islands National Park and Marine Sanctuary and appreciate the recreational and scenic pristine qualities of the Marine Sanctuary would encounter the impacts of a large, highly visible industrial structure adjacent to an undeveloped natural area. There would also be visual impacts from mainland coastal areas.

The Coastal Commission recognizes the importance of considering the national security and energy benefits which may result from oil and gas development. In this instance, the expected contribution from the Chevron project to existing reserves in production is expected to peak at 13,000 barrels per day for oil and 20 million standard cubic feet per day for gas. The Commission does not consider this contribution to the nation's energy reserves to be unimportant, although its importance is diminished by the fact that other fields may be more productive, and that less sensitive areas remain available for development.

The Commission finds that there are alternative areas with known oil reserves that are less sensitive, pose fewer risks to marine resources, and that may be developed to contribute to the nation's energy needs. The Commission further finds that the reserves at this site would remain available. Therefore, the Commission finds that disapproval of this project would not adversely affect the public welfare.

The Commission is aware that it has allowed exploration at this site. In making the public welfare determination, the Commission considers the national interest contribution of the project. In the case of a plan of exploration, the chief benefit to the public is

derived from the identification and assessment of domestic oil reserves. This knowledge has value to the public independent of whether known oil reserves are permitted to be developed. This knowledge is useful in determining the public benefit which would be derived from development at a specific site as compared to other sites. In addition, this knowledge provides a data base for use in planning for future production and development, and increases the nation's readiness for development and production of oil supplies. In 1983, the Commission acted to concur with Chevron's plan of exploration, finding that the knowledge which would be derived was in the public interest.

In applying Section 30260(2), the Commission finds that the public welfare contributions of exploration and development differ. The Commission finds that more extensive environmental impacts are associated with production and development and that the availability and effectiveness of mitigation measures differ significantly. Exploration projects generally take 3-9 months, the life of a development and production facility is several decades. The Commission takes into consideration that it is production that makes oil and gas available to fulfill the nation's energy needs. However, these needs do not necessitate that development on this parcel begin immediately.

The prevailing Commissioners are evenly divided on why Platform Gail, the associated pipelines and proposed mitigation measures are inconsistent with the public welfare sections of the Coastal Act. The different reasons for objection are detailed below.

Some Commissioners find that the nation's energy needs do not necessitate that development on this parcel begin immediately, particularly in view of the sensitivity of the site, the availability of other sites for development and ongoing improvements in technology, which in the future, may enable development of this site to proceed with less environmental impacts.

These Commissioners find that Platform Gail's location--within 2,053 feet of the buffer zone for the vessel traffic lanes; within a half mile of the Marine Sanctuary and Channel Islands National Park; and within 6.5 miles of where the endangered California brown pelicans breed on Anacapa Island--poses a substantial and unique threat of environmental damage which will remain significant even if mitigation now available is applied.

These Commissioners also find that preservation of significant environmental resources is in the national interest. Both the Coastal Zone Management Act and the California Coastal Management Program, while providing for accommodation of coastal dependent industrial uses, including offshore oil production, recognize the importance of protecting natural and scenic resources. These Commissioners find that the unmitigated risks to marine and coastal resources are so great as to outweigh the particular benefit oil and gas development of this parcel would provide. Because of the remaining unmitigated impacts on coastal resources, these

Commissioners find that concurrence with this proposal at this time would adversely affect the public welfare.

Therefore, by weighing the extent of the contribution the project would make to the national interest, by marginally increasing oil and gas production, and the extent to which impacts have been and may be mitigated, these Commissioners find that to concur with this proposal would adversely affect the public welfare and the national interest, and that disapproval of this project at this time would not be adverse to the public welfare. These Commissioners find the resubmitted Development and Production Plan, inconsistent with the public welfare provisions of the California Coastal Act Section 30260(2).

Several Commissioners have other reasons for objecting to this proposal. These Commissioners find that the need to develop domestic energy supplies does not require that development on this parcel begin immediately. These Commissioners find this project should be delayed because of the implications otherwise inherent for future oil development.

These Commissioners find that the additional mitigation measures in the amended project proposal go beyond that which should apply to consistency determinations. The amended proposal includes three mitigation measures that relate to the following policy groups: commercial fishing, vessel traffic safety and air quality. Some Commissioners find that the increased costs to Chevron in providing these mitigation measures would, if approved, inhibit or restrict other oil companies from reaching such a high standard, preclude new drilling in the long-term, and lead to even greater adverse environmental adverse effects. These Commissioners are concerned that an adverse precedent would be set by concurrence with a project that contained these measures.

These Commissioners find that the three mitigation measures added in response to the Commission's previous findings do not accomplish the objectives of orderly economic development as expressed by Sections 30001.5 and 30001(d), and therefore, the proposal as amended is not in the public interest. These Commissioners find that Chevron's original proposal (CC-2-86) contains an appropriate level of mitigation in this circumstance, as described in the Adopted Commission Findings of July 29, 1986. These Commissioners find that disapproval of this project at this time would not be adverse to the public welfare. Thus, these Commissioners find the proposed Development and Production Plan, as amended, inconsistent with the public welfare provisions of the California Coastal Act Section 30260(2).

CALIFORNIA COASTAL COMMISSION

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File Number: CC-44-86
 File Date: 7-10-86
 3-Month Period Ends: 10-11-86
 6-Month Period Ends: 1-11-86
 Staff: D. Bates
 Hearing Date: 12-10-86

STAFF RECOMMENDATION ON CONSISTENCY CERTIFICATIONAPPLICANT FOR FEDERAL PERMIT:

Chevron U.S.A., Inc.

PROJECT LOCATION:

Offshore on Lease OCS P-0205 approximately 24 miles southeast of Santa Barbara, 11 miles southwest of Ventura and 6.5 miles north of Anacapa Island in the Santa Barbara Channel. (see Exhibit 1.)

PROJECT DESCRIPTION:

Waste discharges from Platform Gail:
 Discharges of sanitary and domestic wastes, desalination unit discharges and deck drainage and fire control system test water.
EPA NPDES Permit No. CA0110711 (9-4-86)

SUBSTANTIVE FILE DOCUMENTS:

Coastal Commission Findings and Substantive File Documents for EPA Draft General Permit (CC-38-85 and CC-39-85).

SYNOPSIS

The Environmental Protection Agency (EPA) has issued an individual National Pollution Discharge and Elimination System (NPDES) permit for Phase I of the Platform Gail Project (CA0110711 - 9/4/86). Phase I consists of discharges of deck drainage, sanitary waste, grey water and desalination brine from the quarters building beginning shortly after platform installation and hookup, and continuing for the project's duration.

NPDES permits issued by EPA are listed in the federally approved California Coastal Management Program (CCMP) as an activity requiring a state concurrence with the applicant's consistency certification. In addition, EPA's proposed permit contains language that specifies that the permit shall not go into effect unless and until the Commission has given its concurrence. The permit extends to May 31, 1991 or the effective date that the reissued general NPDES permit is deemed consistent, whichever occurs first.

The EPA received a consistency concurrence by the Commission for a general National Pollution Discharge and Elimination System (NPDES) permit covering both mobile exploratory operations and production platforms, issued by EPA Region 9 on February 18, 1982 (NPDES No. CA0110516 -- 47 Fed. Reg. 7312). This permit was reissued by EPA on December 8, 1983 for a six month period ending June 30, 1984 (48 FR 55029). The Commission's consistency concurrence was extended temporarily and expired in June 1984. EPA proposed new draft general permits in August 1985. The Commission objected to the draft general permits (CC-38-85 and CC-39-85) on the grounds that coastal resources would be adversely affected. Since that time, EPA has been issuing individual NPDES permits to oil and gas operators.

This NPDES permit for Chevron covers only a few of the types of discharges covered under the proposed general permits to which the Commission objected. The general permit for development activities would cover drilling muds and cuttings as well as the deck drainage and wastes included within this consistency review. EPA has just released a draft permit for Platform Gail to cover drill muds and cuttings discharges, however, that is not before the Commission in this permit. Chevron will return to the Commission for a consistency certification with these additional discharge proposals in the coming months.

Staff recommends that the Commission find that although there will be adverse effects on marine water quality as a result of these discharges, the project is consistent with the override provisions of Section 30260. Staff recommends the Commission concur with Chevron's consistency certification.

Staff Recommendation

Staff recommends that the Commission adopt the following resolution and findings to concur with Chevron's consistency certification.

Resolution: Concurrence

The Commission concurs with the consistency certification made by Chevron U.S.A. for its National Pollution Discharge and Elimination System (NPDES) individual permit (CA0110711) because while the discharge of certain categories of wastes associated with development drilling would affect land and water uses of the coastal zone, it does meet the policies of the approved California Coastal Management Program (CCMP), and is therefore consistent with the CCMP. EPA's proposed permit contains adequate information to permit an assessment of its probable coastal zone effects, including cumulative impacts, and it complies with the enforceable policy requirements of Chapter 3 of the California Coastal Act (Public Resources Code Section 30000 et seq.). The Commission furthermore finds that Chevron's permit implements the national interest as required by Chapter 11 of the CCMP and Sections 302 and 303 of the CZMA.

The findings and declarations that follow explain (1) the effects that this proposed activity has on the coastal zone where sufficient and adequate data has been submitted to so determine; and (2) how the activity is consistent with specific mandatory provisions of the CCMP. The Commission findings include the Synopsis, the Adopted Commission Findings on the Draft General Permits (CC-38-85 and CC-39-85), as well as the following:

Project Description

Chevron has certified that their NPDES individual permit (CA0110711 9-4-86) shall be carried out in a manner that is consistent with the CCMP. The NPDES permit, issued by EPA, authorizes Chevron to discharge only certain types of waste materials used during the first stages of drilling operations on Platform Gail.

The materials allowed to be discharged and regulated by this permit include:

Sanitary wastes are processed human body wastes. Domestic wastes include materials discharged from sinks, showers, laundries and galleys. All galley wastes are macerated before flushing.

Desalination unit discharge means any waste water associated with the process of creating fresh water (for various purposes on the drilling platform) from seawater.

Deck drainage results from platform washings, deck washings, tank cleaning operations, runoff from curbs, gutters, drains, drip pans and work areas.

Fire control system test water is seawater discharged during periodic testing of the fire control system.

Other types of wastes which are not covered by this permit include: drilling muds and cuttings; well completion and treatment fluids; and produced water. Chevron has applied to EPA for the authority to discharge these types of discharges. The Commission will consider a consistency certification for EPA's pending permit for these discharges in the future.

Background

The California Coastal Management Program, approved by the federal government under the Coastal Zone Management Act, specifically lists NPDES permits as being a federal license or activity requiring a consistency certification by the state. Both individual and general permits must be reviewed by the Commission for consistency with the Coastal Act. In addition, EPA's permit to Chevron states that it is contingent upon receipt of a concurrence from the California Coastal Commission.

Coastal Act Issues

The coastal zone is defined as:

"that land and water area of the State of California...extending seaward to the state's outer limit of jurisdiction, including all offshore islands...."

Impacts upon the coastal zone result from events or activities pursued within and outside of the state's coastal zone which cause a change to occur within the zone. Adverse impacts to water uses outside of the zone may be transferred to water uses within the zone as a result of many factors. In the case of waste discharges into waters of the federal Outer Continental Shelf (OCS), materials may be carried by water currents and marine organisms crossing into and occurring throughout the coastal zone. Marine organisms may ingest waste materials and sediments may drift into, settle or precipitate far from their point of origin, affecting the water column, marine mammals, commercial fishing, benthic and hard bottom habitats.

1. Marine Resources

The Coastal Act requires protection and maintenance of marine resources and biological productivity (Sections 30240 and 30231). The Commission's findings for EPA proposed draft general permits (CC-38-85 and CC-39-85) describe several examples of the effects on marine resources of waste discharges from offshore drilling facilities. The Commission found that biological productivity would not be sustained under the proposed general permits.

Deck drainage often contains detergents, small quantities of oil, surfactants and emulsifiers used to clean deck surfaces, tanks and drilling equipment. These substances if discharged, have an adverse effect on marine water quality. The Commission finds that marine resources would not be protected, thus the project is inconsistent with Sections 30230 and 30231.

Chevron's NPDES permit contains the same standards for regulating discharges as the draft general permit rejected by the Commission in February 1986. Although the Commission has found many specific standards of EPA's NPDES permit to be inconsistent with Sections 30230 and 30231, Chevron is only proposing discharge activities that pertain to the first phase of drilling operations. These types of discharges are typical of discharges from ocean going vessels with fairly large crews and generally contain fewer hazardous substances than the large volume discharges of produced water and drilling muds associated with developmental drilling.

Mitigation measures to prevent environmental damage proposed by EPA include: monitoring for flow rates and residual chlorine in sanitary and domestic wastes, a prohibition on floating solids and foam, no discharge of halogenated phenol compounds, restrictions on surfactants, dispersants and detergents, and daily observations for visible sheen on the surface of receiving waters.

These effluent limitations and monitoring requirements have been designed to protect marine water quality in accordance with EPA's Best Available Technology (BAT), Best Control Technology (BCT), or Best Professional Judgement (BPJ) standards in the draft general permit. While the Commission is concerned with effluent limitations and monitoring requirements proposed by EPA in the general permits, the discharge of sanitary and domestic wastes, deck drainage, fire control system test water and desalination unit waste poses fewer hazards to the marine environment than the more toxic elements contained in drilling muds, cuttings and produced waters.

Staff recommends that the Commission find the proposed project inconsistent with Section 30230 and 30231 in that biological productivity is likely to be affected, however, the Commission may concur with this project under the override policies of Section 30260 as detailed below. The Commission staff is seeking resolution of differences between EPA's proposals and the Commission's findings on the general permits with particular focus on the more toxic discharge categories, state requirements for discharges in state waters, cumulative impacts, and protection of environmentally sensitive areas.

this reasoning is not specified in 30230 nor 30231

Public Welfare

The Coastal Act provides that there are three tests for coastal dependent industrial facilities which allow approval of development even if inconsistent with other Coastal Act sections (Section 30260). These tests also apply to oil and gas activities as per Section 30262.

The first test involves evaluation of alternative locations and finding that the least environmentally damaging alternative would be utilized, if any. The quantity of these discharges is not great, particularly in relation to discharges of produced water and drilling muds. These discharges would not have significantly different effects if discharged elsewhere. As such there are no alternative locations for discharge that would enable development of the oil field and be less environmentally damaging.

Therefore, the Commission finds the project consistent with the first test of Section 30260.

The second test necessitates a finding that mitigation is provided to the maximum extent feasible. Chevron objected to several EPA mitigation measures and permit requirements in a letter commenting on the proposed permit. Chevron's first area of disagreement was the "too stringent" maximum concentration of chlorine residual in the sanitary discharge (10ppm) and the requirement that it be monitored weekly. Chevron suggested that monitoring occur monthly. EPA upheld these requirements in the permit under Best Practicable Technology (BPT).

Chevron proposed annual rather than quarterly reporting of monitoring results for these categories of discharges stating that quarterly reporting was unnecessarily burdensome. EPA disagreed that it was unnecessarily burdensome and in its final permit maintained the quarterly monitoring requirement.

Finally, Chevron objected to the requirement that a static sheen test be conducted for determining compliance with the free oil prohibition applicable to deck drainage. EPA noted that Chevron did not dispute the greater reliability of the static sheen test over visual observations of the receiving water, and Chevron did not identify any alternatives to the sheen test which would address the disadvantages of relying on visual observations of the receiving water. EPA states that this test has been affirmed by the Fifth Circuit Court of Appeals (API v. EPA, No. 84-4573, April 18, 1986) and that Region 9 has determined that this test is appropriate for the final permit for Platform Gail. EPA believes that this test is practical, feasible and it is more stringent than any previous mitigation or monitoring requirement for determining compliance with the prohibition against the discharge of free oil.

The Commission will review in the future EPA's next proposal for a general permit governing NPDES wastes. After the new permit is determined to be consistent by the Commission, Chevron's individual permit will be superceded by the new general permit. Any new mitigation measures identified as being feasible and more protective of the environment than those contained in the rejected general permit (and this individual permit), shall be recognized in the Commission's forthcoming consistency review of the new general permit. Chevron may in the future be subject to additional mitigation measures for these categories of discharge, if adopted as part of the concurrence for the consistency certification issued by the Commission for the new general permit. Therefore, at this time the Commission finds that Chevron will provide maximum feasible mitigation for these types of discharges.

The third test requires that the Commission find that the public welfare would be adversely affected if the proposed NPDES permit were not allowed to go forward. The Commission has also considered the national interest benefits at stake in the proposed activity in view of the adverse environmental effects that would result.

The Commission finds that Chevron's proposed disposal of certain categories of wastes (regulated by this individual permit) may adversely affect the biological productivity of marine resources and on a cumulative basis, however, the Commission will be evaluating permit standards, monitoring requirements and the cumulative impacts of wastes disposal as part of its consistency review for EPA's anticipated new general permit(s). Concurrence with this project at this time would not be adverse to the public welfare and mitigation measures further protecting the marine environment may be added in the future as part of the Commission's review of the new general permit(s).

The Commission finds that discharges regulated by this permit would not have less environmental effects if discharged in an alternative location, are mitigated to the maximum extent feasible at this time, and are consistent with the public welfare provisions of Section 30260. The Commission finds that the permit is consistent with the override criteria of Section 30260. Furthermore, the Commission finds this activity consistent with the CCMP.

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File Number: CC-44-86
 File Date: 7-10-86
 3-Month Period Ends: 10-11-86
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 Staff: D. Bates
 Hearing Date: 12-10-86

STAFF RECOMMENDATION ON CONSISTENCY CERTIFICATION

APPLICANT FOR FEDERAL PERMIT: Chevron U.S.A., Inc.

PROJECT LOCATION: Offshore on Lease OCS P-0205 approximately 24 miles southeast of Santa Barbara, 11 miles southwest of Ventura and 6.5 miles north of Anacapa Island in the Santa Barbara Channel. (see Exhibit 1.)

PROJECT DESCRIPTION: Waste discharges from Platform Gail:
 Discharges of sanitary and domestic wastes, desalination unit discharges and deck drainage and fire control system test water.
EPA NPDES Permit No. CA0110711 (9-4-86)

SUBSTANTIVE FILE DOCUMENTS: Coastal Commission Findings and Substantive File Documents for EPA Draft General Permit (CC-38-85 and CC-39-85).

Staff Recommendation

Staff recommends that the Commission adopt the following resolution and findings to concur with Chevron's consistency certification.

Resolution: Concurrence

The Commission concurs with the consistency certification made by Chevron U.S.A. for its National Pollution Discharge and Elimination System (NPDES) individual permit (CA0110711) because while the discharge of certain categories of wastes associated with development drilling would affect land and water uses of the coastal zone, it does meet the policies of the approved California Coastal Management Program (CCMP), and is therefore consistent with the CCMP. EPA's proposed permit contains adequate information to permit an assessment of its probable coastal zone effects, including cumulative impacts, and it complies with the enforceable policy requirements of Chapter 3 of the California Coastal Act (Public Resources Code Section 30000 et seq.). The Commission furthermore finds that Chevron's permit implements the national interest as required by Chapter 11 of the CCMP and Sections 302 and 303 of the CZMA.

The findings and declarations that follow explain (1) the effects that this proposed activity has on the coastal zone where sufficient and adequate data has been submitted to so determine; and (2) how the activity is consistent with specific mandatory provisions of the CCMP. The Commission findings include the Synopsis, the Adopted Commission Findings on the Draft General Permits (CC-38-85 and CC-39-85), as well as the following:

Project Description

Chevron has certified that their NPDES individual permit (CA0110711 9-4-86) shall be carried out in a manner that is consistent with the CCMP. The NPDES permit, issued by EPA, authorizes Chevron to discharge only certain types of waste materials used during the first stages of drilling operations on Platform Gail.

The materials allowed to be discharged and regulated by this permit include:

Sanitary wastes are processed human body wastes. Domestic wastes include materials discharged from sinks, showers, laundries and galleys. All galley wastes are macerated before flushing.

Desalination unit discharge means any waste water associated with the process of creating fresh water (for various purposes on the drilling platform) from seawater.

Deck drainage results from platform washings, deck washings, tank cleaning operations, runoff from curbs, gutters, drains, drip pans and work areas.

Chevron's NPDES permit contains the same standards for regulating discharges as the draft general permit rejected by the Commission in February 1986. Although the Commission has found many specific standards of EPA's NPDES permit to be inconsistent with Sections 30230 and 30231, Chevron is only proposing discharge activities that pertain to the first phase of drilling operations. These types of discharges are typical of discharges from ocean going vessels with fairly large crews and generally contain fewer hazardous substances than the large volume discharges of produced water and drilling muds associated with developmental drilling.

Mitigation measures to prevent environmental damage proposed by EPA include: monitoring for flow rates and residual chlorine in sanitary and domestic wastes, a prohibition on floating solids and foam, no discharge of halogenated phenol compounds, restrictions on surfactants, dispersants and detergents, and daily observations for visible sheen on the surface of receiving waters.

These effluent limitations and monitoring requirements have been designed to protect marine water quality in accordance with EPA's Best Available Technology (BAT), Best Control Technology (BCT), or Best Professional Judgement (BPJ) standards in the draft general permit. While the Commission is concerned with effluent limitations and monitoring requirements proposed by EPA in the general permits, the discharge of sanitary and domestic wastes, deck drainage, fire control system test water and desalination unit waste poses fewer hazards to the marine environment than the more toxic elements contained in drilling muds, cuttings and produced waters.

Staff recommends that the Commission find the proposed project inconsistent with Section 30230 and 30231 in that biological productivity is likely to be affected, however, the Commission may concur with this project under the override policies of Section 30260 as detailed below. The Commission staff is seeking resolution of differences between EPA's proposals and the Commission's findings on the general permits with particular focus on the more toxic discharge categories, state requirements for discharges in state waters, cumulative impacts, and protection of environmentally sensitive areas.

this reasoning is not specified in 30230 nor 30231

Public Welfare

The Coastal Act provides that there are three tests for coastal dependent industrial facilities which allow approval of development even if inconsistent with other Coastal Act sections (Section 30260). These tests also apply to oil and gas activities as per Section 30262.

The first test involves evaluation of alternative locations and finding that the least environmentally damaging alternative would be utilized, if any. The quantity of these discharges is not great, particularly in relation to discharges of produced water and drilling muds. These discharges would not have significantly different effects if discharged elsewhere. As such there are no alternative locations for discharge that would enable development of the oil field and be less environmentally damaging.

The Commission finds that Chevron's proposed disposal of certain categories of wastes (regulated by this individual permit) may adversely affect the biological productivity of marine resources and on a cumulative basis, however, the Commission will be evaluating permit standards, monitoring requirements and the cumulative impacts of wastes disposal as part of its consistency review for EPA's anticipated new general permit(s). Concurrence with this project at this time would not be adverse to the public welfare and mitigation measures further protecting the marine environment may be added in the future as part of the Commission's review of the new general permit(s).

The Commission finds that discharges regulated by this permit would not have less environmental effects if discharged in an alternative location, are mitigated to the maximum extent feasible at this time, and are consistent with the public welfare provisions of Section 30260. The Commission finds that the permit is consistent with the override criteria of Section 30260. Furthermore, the Commission finds this activity consistent with the CCMP.

P0505 JH

Date Received: 9/27/84
Item Number: 15a
Hearing Date: 2/14/85
Analyst: EJL-SF

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Michael L. Fischer, Executive Director
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NOTED-DUNAWAY

CONSISTENCY CERTIFICATION AND STAFF RECOMMENDATION

Noted 2 Van Auker

Consistency Certification No. CC-31-84

3-6 Month Period Ends: 12/27/84-3/27/84

Gulf Oil Exploration & Production Company

APPLICANT FOR FEDERAL PERMITS:

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

Minerals Management Service Exploratory Well Drilling Permit; OCS Exploration Plan.

| | | |
|------------------------------|---|--|
| | <u>YES</u> | <u>NO</u> |
| <u>ACTIVITY LOCATION:</u> | KING McMURRAY MACELVAINE McINNIS Die fender fer | FRANCO GROSSMAN MALCOLM McNEIL Hillenbrand Worrum Nutter |
| <u>ACTIVITY DESCRIPTION:</u> | | |

On the Outer Continental Shelf on OCS Parcel 0505, approximately 4.2 miles west of Point Sal in the Santa Maria Basin. (Exhibits 1 and 2)

Drilling one well to explore for oil and gas.

PUBLIC HEARING AND VOTE:

Public hearing and possible action at the Commission's February 14, 1985 meeting in San Francisco.

Substantive File Documents:

See Appendix B.

STAFF NOTE:

History: Gulf's OCS P-0505 is one/eight tracts which was leased in 1983 as a result of Lease Sale 73. It is the first tract of this sale to be considered by the Commission. The Commission objected to this lease sale in its entirety because of the lack of infrastructure to ensure the safest method of oil transportation and the potential cumulative impacts of the offshore operations on vessel traffic safety, commercial fishing activities, air and water quality, and other coastal resources.

This plan of exploration originally included a proposal to drill eight wells on P-0505. Because the final evaluation by the Air Resources Board was only for one well, it was in Gulf's best interests to request an amendment from the Minerals Management Service to reduce the request down to one well. MMS granted this request on January 30, 1985.

Many issues surrounding protection of marine mammals and onshore air quality, are raised by this proposal, however, staff has concluded that these impacts have been mitigated to the maximum extent feasible. Less significant impacts on commercial fishing activities, vessel traffic safety, and the remainder of marine resources are also mitigated. Therefore, the staff is recommending concurrence on one well, as explained in the findings below.

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-0505, 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. STAFF RECOMMENDATION

A. Concurrence. The Commission hereby concurs with the consistency certification made by Gulf Oil Exploration and Production Company for one proposed well on OCS P-0505 because the drilling of this well would be carried out in a manner consistent with the enforceable policies of the California Coastal Act, as approved in the California Coastal Management Program (CCMP).

II. Findings and Declarations

The Commission finds and declares as follows:

A. Project Description. Gulf proposes to drill 1 well to explore for oil and gas resources on OCS P-0505, approximately 4.2 miles west of Point Sal, in the Santa Maria Basin (Exhibits 1 and 2). The exploratory operations will utilize a drillship or a semi-submersible drilling vessel anchored in 290-350 feet of water. Drilling is expected to take approximately 30-60 days, according to the Environmental Report.

Supplies taken to the drilling vessel will originate from facilities at Port Hueneme. Helicopter service is expected from the Santa Maria Airport to transport crew and small supplies. As back-up, crew boats to the drilling site are proposed to originate from Carpenteria.

B. Background: Leasing of Gulf's tract was originally proposed by the Department of Interior in Lease Sale 53. The Commission, in 1978 in response to the call for nominations, recommended that this tract, along with many others, not be offered for sale. In support of this recommendation, the Commission noted that the area from the northern Santa Maria River south to Point Sal was designated a significant marine and coastal resource area because of the recreational use, visual qualities, and habitat values of the onshore and offshore areas. These "buffer" tracts were subsequently deleted from the lease sale area by the Department of Interior.

These tracts were again proposed for leasing during the Lease Sale 73 process. The Commission objected to this sale in its entirety because of the need for further analysis to determine the most environmentally protective method of oil transportation and to determine cumulative impacts of offshore operations on vessel traffic safety, commercial fishing activities, air and water quality, and other coastal resources. The subject tract was not specifically highlighted by the Commission in its consistency determination on the lease sale.

However, in January, 1984, the Supreme Court found that federal lease sales on the OCS were not subject to state consistency review under Section 307(c)(1) of the CZMA (Secretary of the Interior v. California). Therefore, Lease Sale 73 was held despite the Commission's objections. However the Commission continues to have

consistency authority over Plans of Exploration and Development under Section 307(c)(3)(B) of the CZMA and is exercising this authority in reviewing Gulf's POE on Tract 0505.

Exploration has occurred, and is continuing on tracts sold in earlier sales that are in the vicinity of Gulf's tract (Exhibit 3). In fact, Occidental Petroleum has discovered oil on its lease P-0409, which is adjacent and to the west of Gulf's lease and has submitted a DPP to MMS, and Sun Exploration and Production Company has announced a discovery on tracts just south of P-0505. Phillips Petroleum Company is currently drilling an exploratory well on P-0408 and according to MMS and Gulf, has submitted an Application to Drill to MMS on P-0403. The Commission approved Plans of Explorations on all of these leases as being consistent with the CCMP.

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

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.

Impacts from Oil Spills. Lease P-0505 is located offshore the Guadalupe/Nipomo Dunes, Mussel Point, and Point Sal. It is one tract south of the 12 mile buffer established during the lease sale 73 environmental review process by the Commission for protection of sea otters and their habitat and is approximately 27 miles north of Point Conception.

The Guadalupe Dunes, Mussel Point, and Point Sal are 5 miles and 4 miles, respectively east of the subject lease. They provide dune habitat, least tern nesting sites, and offshore marine mammal and seabird rookeries. The mouth of the Santa Maria River is approximately 6 miles northeast of P-0505 and the estuary provides habitat for water fowl and shorebirds including nesting areas for the least tern. The DFG Sea Otter Game Refuge extends as far south as the State waters surrounding Point San Luis, approximately 12 miles north of the lease. The Commission's consistency decision and negative determination on Lease Sale 73 states that there is a small peripheral group of animals in the vicinity of the Santa Maria River mouth. In addition, otters have been sited as far south as Purisima Point and Point Arguello. Thus, the otters extend beyond the boundaries of their established, protected range, as designated by DFG.

The area offshore Point Conception is a rich intertidal area with extensive kelp beds and the nearshore coastal waters and shoreline areas are composed of a mixture of intertidal and subtidal rocky reefs, sandy intertidal and subtidal habitats, river or stream mouths, wetlands and rocky headlands. Due to their proximity to northern cold water and southern warm water regimes, these areas contain a unique and diverse assemblage of intertidal and subtidal marine resources.

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 pass in the general vicinity of the lease tract, but under normal operating procedures, exploratory drilling probably causes the whales to detour around the drill rigs during the migration months (November through May). A 1979 study by the National Marine Fisheries Service ("Effects of Offshore Exploratory Drilling on Migrating Gray Whales," J. Lecky) observed 74 - 105 gray whales on 30 different occasions. The

author, stationed on an operating drillship, found that "gray whales were not adversely impacted by exploratory drilling activities." The California Department of Fish and Game (CDFG) concurs and has commented on previous POE's that the existing number of drill rigs probably do not pose a significant hazard or impact to the animals as they are able to detect and avoid the anchor chains and rigs. Although this information is the best available, it is based on limited observations, and additional information and data may change this opinion.

The resources and animal species in the vicinity of the proposed drilling will not be significantly impacted either individually or cumulatively by the routine operations of the proposed exploratory activities. However, in the event of an oil spill, there could be adverse impacts on these coastal resources. As explained in Section D, Gulf will provide clean-up equipment and materials to take care of oiled seabirds, sea otters and pinnepeds. This equipment will be located at onshore sites within or in close vicinity to the Santa Maria Basin and can be immediately utilized in the event of an emergency. However, even with the best spill containment and clean-up equipment these resources and animals will not receive adequate protection. Therefore Gulf's proposal is inconsistent with Section 30230, and 30250(a) quoted in Section H) of the Coastal Act. However, Gulf's proposed mitigation measures for oil spill containment and clean-up meet with Section 30260 (quoted in Section J) which requires mitigation to the maximum extent feasible. It should be noted that although lease sale 73 stipulation 9(b), which addresses protection of seabirds, sea otters, and pinnepeds, is not part of the CCMP and thus is not subject to the Commission's Consistency authority, requires the protections provided by Gulf. The stipulation requires the lessees to consult with MMS, U.S. Fish and Wildlife Service and DFG in developing their Oil Spill contingency plans. Commission staff consulted with DFG, the U.S.F.W.S., and citizen groups in developing the mitigation measures.

Commission authority over the discharge of drilling muds and cuttings. The Commission reviews OCS Plans of Exploration (POEs) under Section 307(c)(3)(B) of the Coastal Zone Management Act (CZMA) to determine if these plans are consistent with the California Coastal Management Plan (CCMP). The discharge of drilling muds and cuttings is tested under all applicable policies in Chapter 3 of the Coastal Act, including Section 30230 and 30231, and under the cumulative impacts policy contained in Section 30250.

Section 30230 is quoted above and Section 30250 is quoted in Section H. Section 30231 provides:

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....

Based upon an extensive review of substantive evidence pertaining to the effects of drilling muds and cuttings on marine habitat areas and biota, the Commission finds that, in general, discharges from an individual exploratory well located more than 1,000 meters from the coastal zone does not affect land or water uses in the coastal zone.

EPA is developing an individual permit for the Gulf exploratory wells. The Commission was reviewed the draft and finds that it will require maximum feasible mitigation by setting standards for mercury and cadmium in barite, prohibiting the discharge of chrome liguosulfonates, and strictly monitoring the use of diesel fuel

oil. If the final permit issued contains all the standards and requirements contained in the December 13, 1984 draft, no additional consistency review will be necessary for the final permit.

Maximum Feasible Mitigation. The Commission finds that the scientific studies and information available on the fate and effects of drilling muds and cuttings have not addressed essential questions about the marine environment and the effects of drilling muds (Brannon and Rao, 1979; Cal. DFG, 1983; Dames and Moore, 1981; Duke and Parrish, 1984; Jenkins and Sanders, 1984; Klapow and Lewis, 1978; Neff, 1984 and 1979; Petrazzuolo, 1983 and 1981; and Tagats et al., 1978). For example, most studies on the bioaccumulation of metals contained in drilling fluids measure only total tissue or body burdens, and therefore their usefulness in predicting biological effects is limited. Only recently have studies been devised to examine the subcellular distributions of the contaminants and to determine the ecological implications of this data. In addition, despite theoretical chemical principles which suggest that a substance such as barium sulfate should not be bioavailable, it is apparently bioavailable. The marine biological system in the Santa Barbara Channel for example, is so complicated that scientists can not distinguish natural changes from perturbations caused by drilling discharges (Dr. Ken Johnson, UC Santa Barbara, personal communication).

The evidence shows that drilling muds may cause adverse effects on the environment on a cumulative basis. The Commission is compelled by the Coastal Act to take a conservative approach because land and water uses in the coastal zone will be degraded or destroyed if these effects occur. The Western Oil and Gas Association estimates that, by the year 2000, approximately 1,500 exploratory and production wells will be drilled in just the Santa Barbara Channel and Santa Maria Basin. This amount of drilling could result in roughly one million tons of drilling muds and cuttings being discharged into the ocean (Henry W. Wright, Manager, Land and Water, WOGA, personal communication--based upon MMS's EIS for Lease Sale 80). Only upon completion of scientifically rigorous long-term monitoring programs in the California offshore environment can the Commission arrive at firm conclusions regarding cumulative impacts. Such studies are currently being planned or conducted by the MMS and EPA.

The Commission finds that the standards contained in Sections 30230 and 30231 as applied to the discharge of drilling muds and cuttings cannot be satisfied by reliance on the current state of knowledge. Discharges resulting from Gulf's exploratory well may cause adverse impacts upon the marine environment when considered on a cumulative basis with other development and therefore is inconsistent with Section 30250(a). However, because this project is a coastal-dependent development, it must also be analyzed under the overriding requirements of Section 30260, under which a project may be approved even if inconsistent with certain policies contained in Chapter 3 of the Coastal Act (see Section J.)

Any approval pursuant to Section 30260(3) requires that the project's adverse effects on the environment be mitigated to the maximum extent feasible. The discharge will be subject to an EPA NPDES permit (discussed above), and the exploratory well is not near any biologically sensitive areas. The project will be mitigated to the maximum extent feasible, if EPA requires the mitigation measures listed in the draft NPDES permit. If these measures are included in the final permit, no additional consistency review will be necessary. However, the Commission further finds that it is only able to concur in individual Plans of Exploration which are more than 1,000 meters from the Coastal Zone and not near any biologically sensitive areas. In addition, the Commission will fully review all aspects of the new general NPDES permit which EPA proposes to issue this year even though that permit may contain the same or similar standards to the permit for Gulf's exploratory operation. With these caveats, the Commission finds that the muds and cuttings discharge is mitigated to the maximum extent feasible and therefore is consistent with Section 30260(3).

D. Commercial Fishing. The Coastal Act requires maintenance of the productivity of the marine environment in Sections 30230 and 30231, quoted in Section C of this report. Section 30703 states that "the California fishing industry is important to the State of California".

The Commission finds that commercial fishing is an important element of the coastal economy which must be protected under Section 30234 of the Coastal Act. In addition to money earned directly by fishermen, the industry generates many additional secondary jobs for seafood processors, brokers, dock workers, truck drivers, and boat yard crews. Most businesses which support these workers are located in local harbors and ports and require a waterfront location to function. These coastal dependent industries are dependent on the commercial fishing industry, and thus a significant reduction in the commercial fishing effort could affect these businesses, and thus land uses in the coastal zone. Revenues for the rent and the purchase of housing, food, and equipment are also generated by commercial fishing.

Commercial fishermen are informed of oil and gas exploration and development by direct communication with the applicant and/or by notice in the "Oil and Gas Project Newsletter for Fishermen and Offshore Operators" published monthly by the U.C. Marine Advisor at U.C. Santa Barbara and currently funded by a CEIP grant. The newsletter is widely distributed to fishermen and other interested parties in ports from Port San Luis in San Luis Obispo County to San Diego. The Commission, applicants, and fishermen rely on this form of communication for information on the timing and location of offshore oil and gas related activities. If the fishermen perceive a conflict would occur between fishing and oil and gas related activities they inform the applicant and the Commission. Fishermen were informed of Gulf's proposal by Commission staff and by notice placed for several months, in the newsletter.

The proposed well site is within DFG fish block 632. Gulf's environmental report states that 19,671 pounds of fish were caught in block 632 in 1983, and the fish were comprised of 15 species. According to trawlers from Port San Luis and Morro Bay the principle species caught in the vicinity of Gulf's lease is halibut. Halibut trawling is concentrated toward the eastern edge of the lease. Although the proposed well sites, themselves, may be outside the fishing area, the anchor bouys and lines from the semi-submersible drill rig may interfere with the trawling activities. Gulf agrees to keep the landward side anchors at a minimum distance from the vessel without sacrificing the integrity of drilling operations.

Regarding crew and supply boat transportation, operation of these vessels could displace set gear nearshore Carpenteria and Port Hueneme. Gulf has stated its on-contract boats will utilize the corridors established by the Joint Committee in the "Santa Barbara Channel Oil Service Vessel Corridor Program" and that its support boats will moor in water depths greater than 10 fathoms on the Hueneme flats. Because fishing operations may nonetheless be displaced, the Commission finds the conflicts, both individually and cumulatively, will not be eliminated and therefore the project is inconsistent with Sections 30230, 30231, 30234, and 30250. However, Gulf has agreed to measures which mitigate the conflicts to the maximum extent feasible, rendering the project consistent with Section 30260.

E. Protection Against the Spillage of Crude Oil. 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.

Gulf agrees to provide onsite equipment and personnel training, and currently works with oil spill cooperatives, which have dedicated oil spill response vessels, consistent with the Commission's Policy Statement on Oil Spill Response Measures, adopted December 15 1983 (see Appendix A). The Minerals Management Service (MMS) and the applicant have made the following agreement for inspections of the equipment:

The State Agency Coordinator for Oil Spill Contingency Planning (DFG) or a designated representative may accompany MMS on unscheduled inspection or deployment exercises of the oil spill containment and recovery equipment. All unscheduled inspections or deployments will be arranged by representatives of the MMS in cooperation with the State of California in conjunction with the Service's inspection program. The purpose of the inspection or deployment will be to verify the existence of the oil spill equipment and to ensure that the equipment can be deployed in an organized and timely manner. Each company applicant has agreed to allow state personnel on board the drilling vessel to observe the inspection or deployment exercises. The Minerals Management Service has agreed to call these inspections or drills on a surprise basis.

Protection of Coastal Wetlands and Streams. The Commission and the County of Santa Barbara have 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 and around Point Conception, increasing the possibility of these streams becoming contaminated.

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, (such as during high tides in the winter season), 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.

The applicant agreed in writing to participate in an oil spill response drill arranged by the Commission. The Commission staff will contact Gulf officials to initiate the drill. The drill will require transport of the "fast response units" maintained by Clean Seas, a bulldozer and personnel to operate the equipment.

Industry workers and their contractors will deploy the oil spill containment booms and skimmers brought to the site. Bulldozers will be brought to the site, but will not be required to close the entrance of the streams so as to avoid unnecessary habitat damage. The objective will be to determine whether the equipment can be deployed properly within four hours as guaranteed by the Clean Seas oil spill cooperative.

After the drill, staff will recommend to the Commission whether additional equipment is required and if future drills should be called at the other wetland, lagoon/mudflat areas.

Rehabilitation of Oiled Wildlife. This is the first exploratory well proposed on a Lease Sale 73 tract. Because of the biological sensitivity of this region the Department of the Interior included several lease stipulations to provide greater protection of habitat areas. Specifically Lease Sale 73 stipulation 9 (b) states:

The oil spill contingency plan must be designed to protect, to the extent feasible, coastal wetlands, estuaries, and recreational beaches, as well as the critical habitats of seabirds and marine mammals, including the threatened southern sea otter. As part of the oil spill contingency plan, the lessee shall be required to:

- (1) Ensure that facilities are available for the capture and care of oiled or injured sea otters, pinnipeds, and seabirds;
- (2) Work with the Minerals Management Service, the U.S. Fish and Wildlife Service, and the California Department of Fish and Game to ensure that the best available cleaning and rehabilitation methodologies and equipment are available at these facilities; and
- (3) Make available to the public a list of the agencies which can provide this care.

Gulf has responded to this stipulation by adding information to its oil spill contingency plan that covers clean-up techniques for species threatened by oil spills from this exploratory well. Initially Gulf offered to provide \$40,000 to purchase sea otter clean-up equipment to be located at a nearby onshore facility (such as PG&E's Diablo Canyon facility). Gulf planned to rely on equipment located in trailers maintained by the Department of Fish and Game for seabird clean-up equipment. However, no arrangements were made at that time for additional seabird clean-up equipment or facilities to use for the bird clean-up operation.

The Commission received letters from the Natural History Association of San Luis Obispo Coast Inc., the Central Coast Wildlife Rehabilitation Guild, and the Morro Coast Audubon Society, Inc. (Exhibits 4a, b, and c) requesting additional measures for oiled seabird equipment beyond what Gulf had proposed. The Commission has consulted with Alice Berkner from the International Bird Research and Rescue Center and with officials from the Department of Fish and Game about appropriate facilities and equipment for rehabilitating oiled seabirds in this area. The consensus of opinion is that additional equipment and rehabilitation facilities are necessary to meet the objectives of the Lease Sale 73 stipulation. Gulf has subsequently agreed in writing to provide the additional equipment for seabirds, and arrangements have been made for rehabilitation facilities. This commitment has been made in addition to Gulf's previous offer to provide equipment to rehabilitate oiled sea otters. These commitments meet the Commission's standard for maximum feasible mitigation in the event an oil spill threatens these species. However, increased levels of exploration and production from future operations will probably require that further additional mitigation be provided especially in areas closer to the sea otter range and other sensitive coastal resources.

Consistency with CCMP. 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 clean-up 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 spill response drills at the stream locations, the oil containment and clean-up equipment and measures for response, and the addition of equipment and measure for rehabilitation of oiled wildlife provide maximum feasible mitigation and are consistent with Section 30260 of the Coastal Act.

F. Geologic Hazards. Sections 30253(1) and 30262(a) of the Coastal Act require that new development shall minimize risks to life and property in areas of high geologic hazard, and that oil and gas drilling shall be conducted in a geologically safe manner. The well site locations have been reviewed by the California Division of Mines and Geology, and the Division of Oil and Gas. DMG notes that wells C and E will intersect fault planes at depth, within the Hosgri fault zone. DOG points out that the ER does not mention procedures to follow to ensure that explosive accumulations of gas will not surface around the drilling vessel. MMS's response to these comments in the EA is that use of a semi-submersible rig will considerably lessen the risks of shallow gas and the active faults in the area. The Commission's geologist adds that routine well casing and abandonment programs approved by MMS also reduce these risks. The Commission therefore finds that the risks are indeed minimized and the proposal consistent with Section 30253(1) and 30262(a) of the Coastal Act.

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."

Emissions from OCS drilling activities in the Santa Barbara Channel will have a significant adverse effect on onshore air quality (see Air Quality Aspects of the Development of Offshore Oil and Gas Resources, California Air Resources Board, 1982). Protection of the state's air quality is a matter of great concern; consequently, in 1982, an Air Quality Task Force was formed to identify control measures which could be applied to exploration operations. As a result of the task force study (Radian, 1982), the ARB has recommended that the Commission require an oil company applicant to implement nitrogen oxides (NOx) control measures identified as "interim" by the task force once implementation is approved by the American Bureau of Shipping; that the applicant install devices on the drilling vessel if feasible to gather data on fuel consumption, and hence NOx emissions from drilling activities; and that an applicant collect data on wind speed, direction, and temperature. This information will be provided to ARB by the applicant and will be used to ensure accuracy of the NOx emission data it is currently using.

The ARB does not believe, however, that the measures identified in the NOx control study fully mitigate the impacts from offshore drilling on onshore air quality. In keeping with its position that OCS emission sources be treated similarly to onshore sources, the ARB believes that projects must incorporate not only the best controls currently available, but mitigation measures which provide a level of protection to onshore air quality at least equivalent to the protection provided by the Lease Sale 73 Memorandum of Agreement (MOA) between the U.S. Department of the Interior and the State of California. Because P-0505 is a Lease Sale 73 tract, it is subject to the stipulations agreed to in the MOA. These provisions require, in

addition to use of the best controls currently available, cumulative impact modeling and assessment to help determine the extent of cumulative impacts on onshore air quality. The stipulations state in part:

"For all plans of exploration and plans of development and production, lessees shall provide an evaluation of the impacts of emission of NO_x and VOC on onshore concentration of ozone and NO₂, of the impacts of emissions of SO₂ on onshore concentrations of SO₂, and of the impacts of directly emitted particles on onshore concentrations of particulate matter. The RM (Regional Manager), in cooperation and participation with the State of California, shall prepare and may update periodically a list of acceptable evaluation methods, including models approved by EPA, which shall be used by lessees. The list shall specify the parameters of the evaluation to be performed by individual lessees. The list of evaluation methods shall be completed in a time frame which assures that it will be available prior to any action by the Department to approve any plans of exploration or development and production. The RM will provide the State with the evaluation. The RM, in cooperation and participation with the State of California, may also require impact evaluations for pollutants other than those specified above. Evaluations pursuant to this paragraph shall be based on the emission levels predicted after the installation of emission controls and shall assess impacts from the individual facilities as well as impacts from the facility cumulatively with emissions from other OCS facilities. The evaluation shall take into account all emissions in the area of the lease sale from vessels used to transport oil and from crew and supply vessels associated with a facility to the extent that such emissions are not subject to regulation by the State and/or local air pollution control districts." (emphasis added)

Lease Sale 73 stipulations are not part of the CCMP, and thus they nor their enforcement are subject to the Commission's consistency review. However, the Commission recommends the stipulations be stringently enforced by the ARB and MMS to ensure maximum protection of onshore air quality.

In its review of Gulf's proposal dated November 2, 1984 (Exhibit 5), the ARB found that the cumulative impact analysis had not been done:

"Our review of the ER and POE indicate that Gulf has not met all requirements of the air quality stipulation. Specifically, Gulf has not performed an air quality analysis assessing the cumulative onshore impacts of its emissions along with emissions from other nearby sources. It also appears that the emissions and stack parameters used will underpredict onshore concentrations by more than a factor of two."

In response to ARB's recommendations, Gulf has completed the cumulative impact modeling for inert pollutants and will conduct the required modeling for ozone, in consultation with ARB. ARB has determined from the inert modeling that pollutants from the drill rig, combined with potential pollutants from drilling activities on the surrounding tracts, will not exceed the air quality standards for inert pollutants. The ozone modeling should determine whether air quality standards will be met during the "ozone season" (April through October). ARB has taken this position with the understanding that Gulf will use the best controls currently available to reduce the emissions to the maximum extent feasible.

The November 2 letter clarifies ARB's position regarding the ozone modeling:

"Exploratory activities can cause significant ozone formation and impacts. Such impacts are unlikely, however, in the winter months, and thus the modeling

guidelines do not require ozone modeling if exploratory activities are restricted to the winter (emphasis added)

Gulf's anticipated drilling schedule is listed as 30 to 60 days in the ER, and 45 days in the exploration plan. Given the Commission's experience with previous exploration plans in which the drilling schedules were exceeded because of unanticipated problems, the Commission believes it must assume that the drilling will take 60 days.

According to Mark Wade of Gulf, a rig has been contracted and will sail from Dutch Harbor, Alaska as soon as the NPDES permit for lease P-0505 is issued. The rig will arrive on site about 2 weeks after it leaves Alaska. EPA expects to issue the permit the week of February 11, 1985. It is conceivable then that drilling can extend into the "ozone season," which is inconsistent with ARB's original comments. However, ARB submitted a subsequent letter dated November 29, 1984 (Exhibit 6) which states that "... it appears that our concerns over Gulf's exploratory drilling on Tract P-0505 have been adequately resolved for Gulf's first well." It appears that ARB's conclusions are inconsistent with its earlier comments, since no timing restriction is required for the first well and the November 2 letter made no differentiation between the impacts of drilling one versus eight wells.

Because ozone formation and impacts are unknown at this time the Commission must take a conservative approach in ensuring that onshore air quality in the Coastal Zone will not be degraded. Therefore, the Commission finds that drilling of this well is inconsistent with Section 30253(3).

Although the Commission finds that the proposed project cannot be found consistent with the air quality policies, the coastal dependent industrial facilities can nevertheless be permitted in accordance with Section 30260 of the Coastal Act if they meet the tests of this section.

In partial accordance with the provisions of the Lease Sale 73 MOA, the ARB and the MMS have identified and agreed on available and feasible air pollutant control technologies. These include: (1) injection timing retard (4°) or separate circuit after cooling for engines used as prime movers on drilling vessels to reduce NO_x emissions; (2) for fluids produced during well testing, venting of vapors to the flare system to reduce fugitive hydrocarbon emissions; and (3) hydrogen sulfide (H₂S) scrubber to remove H₂S from gas during well testing, if gas is high in H₂S.

Gulf has agreed to implement a 4° injection timing retard on the drill rig, to pipe vapors vented during well testing to a flare system for incineration, to use H₂S scrubbers as suggested by the ARB, and to collect the requested data on fuel consumption and meteorological conditions and submit the data to the ARB.

Because the Commission have no statement from ARB to support an objection to drilling of this well and because the stipulations are not part of the CCMP the Commission is unable to find the project inconsistent with the CCMP even though ozone formation and impacts may occur in the Coastal Zone. Therefore, the Commission must find that Gulf has mitigated the identified impacts to the maximum extent feasible in its agreements with the Commission, as required by Section 30260.

H. Cumulative Impacts. 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."

The Commission was especially concerned about this issue when reviewing the Lease Sale 73 proposal. The Commission objected to the Consistency Determination and Negative Determination on Lease Sale 73 because of the need for oil transportation and onshore processing facilities planning and the need to coordinate and manage the timing, nature, and extent of offshore operations to minimize conflicts between exploration and development and the issues identified in this report. Currently, planning for onshore processing and oil transportation facilities is underway and major decisions from Santa Barbara County and the Commission, regarding the location and capacity of these facilities, have either been made or will be made shortly. However, more importantly, the market place alleviated the majority of the Commission's concerns regarding Lease Sale 73. Only eight tracts were leased and they are all in the general vicinity of the Lease Sale 53 tracts, rendering planning for exploring, extracting, processing, and transporting the hydrocarbons much simpler than originally anticipated. This is not to say that the Commission has no concerns with the individual tracts, but rather that its previous concerns regarding overall cumulative impacts of leasing a great number of tracts are significantly reduced.

Issues of concern with this POE include increases in support vessel traffic, air pollutant emissions, drill mud discharges and impacts on marine and coastal biota and commercial fishing operations. As explained in Sections C, D, E, and G, impacts on air quality, commercial fishing activities, and the marine environment, because of the risk of oil spills and drill muds and cuttings discharges, are either known to be significant or are unknown now. Therefore, the Commission finds there is a cumulative impact on the environment, since the proposal will increase the impacts, and that drilling on lease P-0505 is inconsistent with Section 30250(a). These impacts are mitigated to the maximum extent feasible rendering the proposal consistent with Section 30260 of the Coastal Act.

I. Vessel Traffic Safety. The principal Coastal Act policies applicable to vessel traffic safety are Section 30260 quoted below in Section I and 30262 which apply specifically to coastal-dependent industrial development such as the proposed exploratory drilling project.

Section 30262 states, in part:

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

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

Because of the risk of ramming or collision and the consequent risk of oil spills and hazards to coastwide vessel traffic, the Commission finds that location of drilling vessels on the OCS affects the use of land and water in the coastal zone. Therefore, the Commission considers effects on navigation in reviewing each drilling proposal for consistency with the CCMP.

The proposed drilling is located in the Santa Maria Basin, north of the existing Vessel Traffic Separation Scheme in the Santa Barbara Channel. An average of 1 vessel per hour transits through the Basin. Although no traffic lanes have been designated in the Basin, the 11th and 12th Coast Guard Districts are pursuing their designation, knowing that any proposals are subject to national and international review. Because no lanes are designated in the Basin and their use would be voluntary if they were, transiting vessels are not required to use a common route. In addition, the weather is often inclement and substantial vessel traffic exists along the coast. For these

reasons, a temporary structure, such as a drill rig, represents a hazard to navigation and poses risks of oil spills. To minimize this hazard Gulf has agreed to use an automatic radar plotting aid, with an audible alarm to inform the drill rig crew of oncoming vessels, and to alert these vessels of the location of the rig so it can be avoided. The Commission finds the applicant has mitigated for navigational safety hazards as required so the proposal is consistent with Sections 30260(3) and 30262.

J. Public Welfare. 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 requirements of Section 30260. As indicated above, the proposed development does not meet the requirements of Sections 30230, 30231, 30232, 30234, 30253(3) and 30250(a) 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 Section 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. Gulf could directionally drill from other points on the lease to reach the same targets. However, other locations would be more environmentally damaging because of the extended time and risk that would be involved in directional drilling and because other locations would not result in an environmentally preferable location. The Commission finds, therefore, that the project meets the requirements of the first test.

The third requirement under Section 30260 is to mitigate adverse environmental effects to the maximum extent feasible. As explained in previous sections, impacts on marine resources, commercial fishing activities, air quality and vessel traffic safety, are mitigated in compliance with this portion of 30260.

Again, it must be stressed that the Lease Sale 73 stipulations in the MOA are not part of the CCMP and therefore the Commission is basing its decision on the Coastal Act and the CCMP. However, the Commission strongly recommends that the provisions of the MOA be stringently enforced to provide additional protection to the Coastal Zone.

The second requirement concerns the public welfare. It is in the interest of the public welfare to search for domestic sources of oil and gas, and to protect the quality of coastal waters. The Commission equates its responsibilities to consider the public welfare to its national interest responsibilities under Chapter 11 of the CCMP. That chapter notes that the California coast is a resource of national significance. The Commission recognizes that coastal resources must be allocated among competing uses and balances the national interest in water and air quality, commercial fishing and energy development. The Commission believes that its record demonstrates a conscientious effort to resolve conflicts between oil and gas drilling, navigation, air and water quality, and commercial fishing impacts.

The Commission finds that the adverse environmental impacts of this proposed project are mitigated to the maximum extent feasible, and therefore, coastal resources and the public welfare are adequately protected. The proposed project is consistent with the Coastal Act and the Coastal Management Program.

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) one commercial ocean going support vessel capable of sustained operations on the site at all times or within fifteen minutes of the drilling vessel site equipped with a second boat capable of assisting in the control of the oil spill boom; and
- 5) oil storage capacity to allow for oil recovery until additional oil storage containers can be brought to the spill site.

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 cooperatives used for the Santa Barbara Channel is Clean Seas. The estimated response time from Santa Barbara Harbor is 1 to 1½ hours.

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 conducts two-day training programs for supervisory or management personnel operating in the Santa Barbara Channel/Santa Maria Basin. Gulf will send its 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 these training sessions held every six months. The sessions focus 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. Gulf has inhouse training procedures that include full deployment of all offshore oil spill containment and cleanup equipment. The Clean Seas oil spill cooperative puts on training sessions that cover use of specific types of equipment. Member oil companies shall send personnel to these sessions.

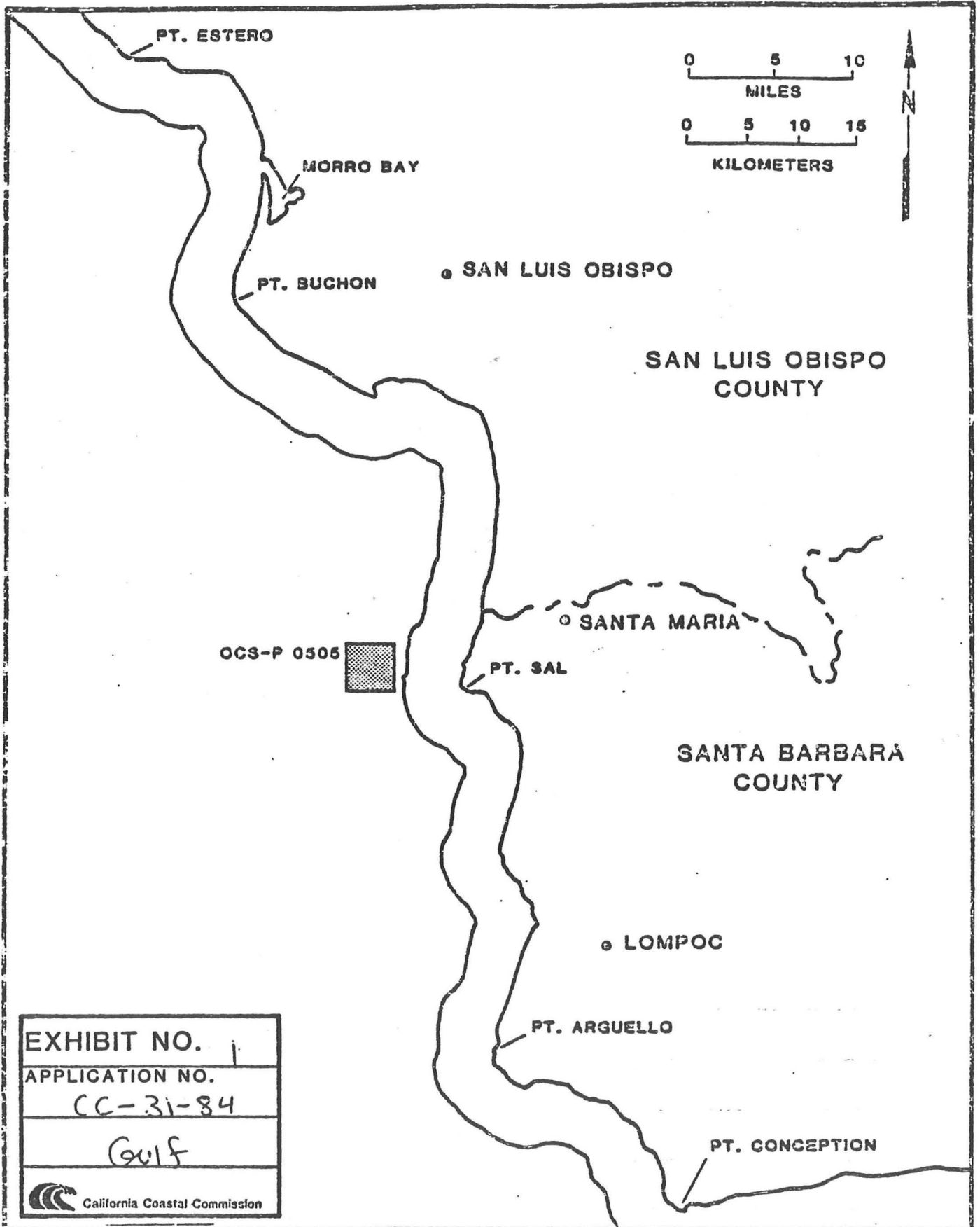
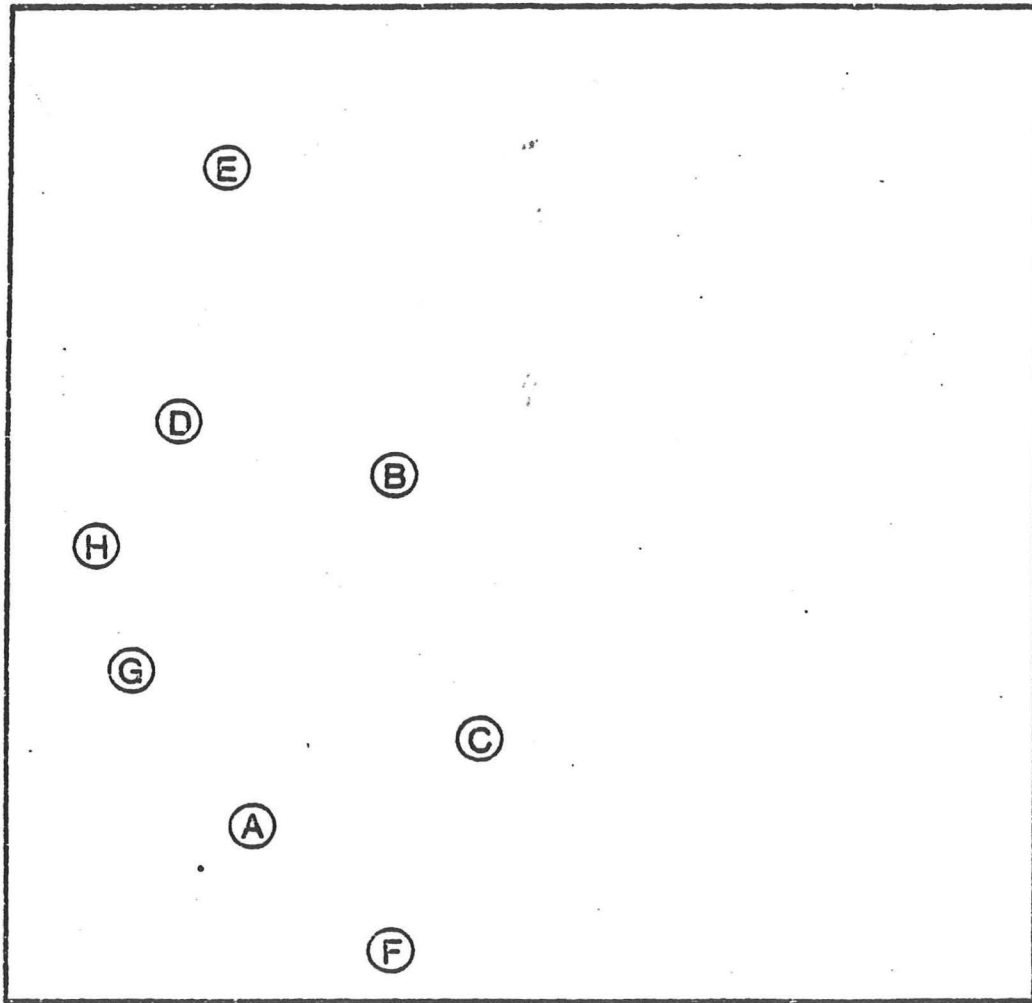


FIGURE
II-1


LOCATION OF LEASE OCS-P 0505
IN THE SANTA MARIA BASIN OFFSHORE





LEGEND

- LEASE BOUNDARY
- WELL LOCATION

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| EXHIBIT NO. 2 |
| APPLICATION NO. CC-31-84 |
| Gulf |
|  California Coastal Commission |

**FIGURE
II-2**

**PROPOSED WELL LOCATIONS
ON LEASE OCS-P 0505**



California Coastal Commission

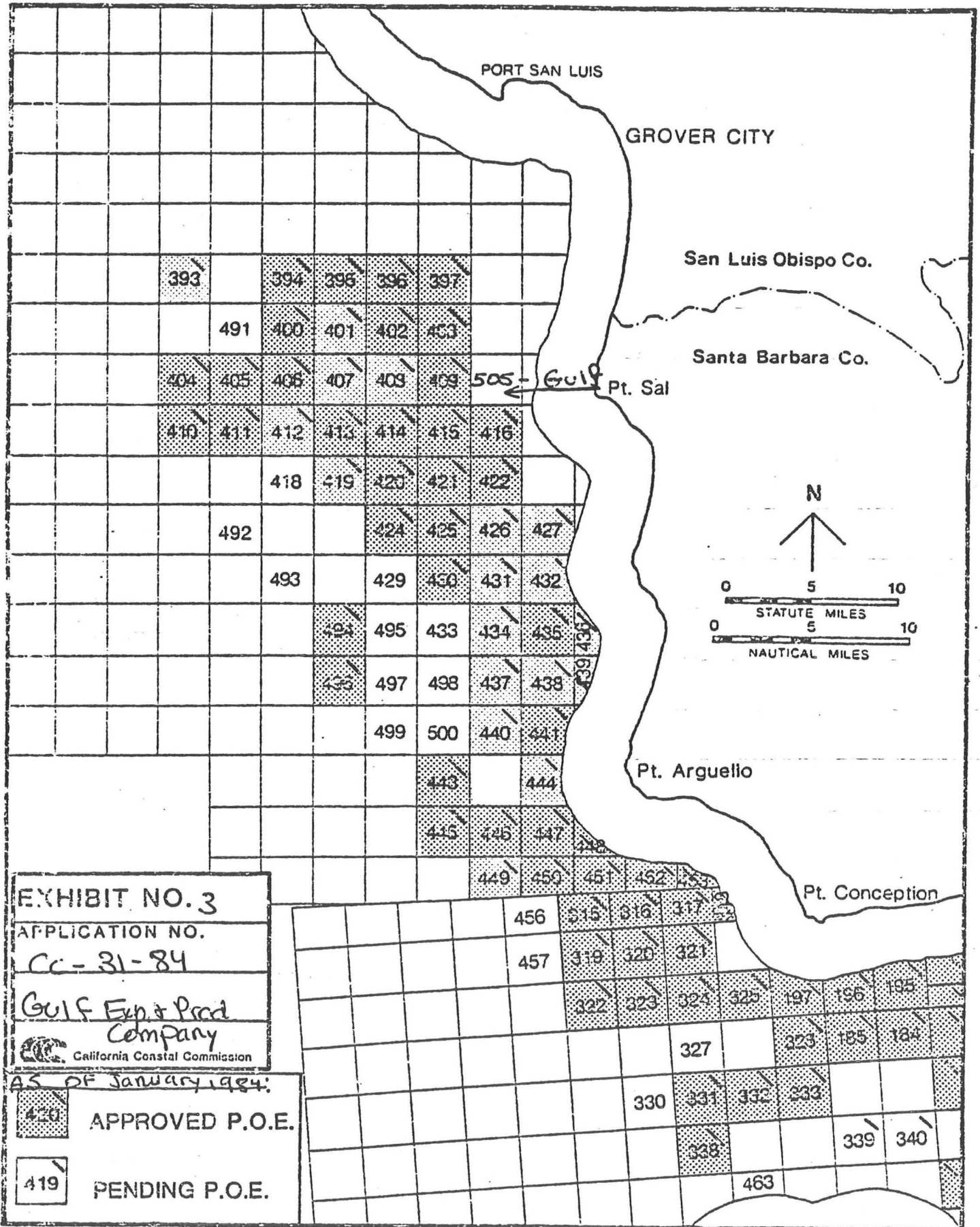
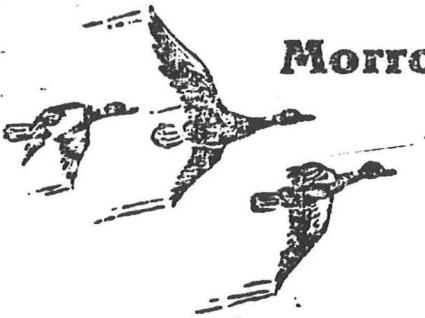


EXHIBIT NO. 3
 APPLICATION NO.
 CC-31-84
 GULF Exp & Prod
 Company
 California Coastal Commission

AS OF January 1984:
420 APPROVED P.O.E.
419 PENDING P.O.E.



Morro Coast Audubon Society, Inc.

A Non-Profit Organization

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JAN 16 1985
CALIFORNIA
COASTAL COMMISSION

January 13, 1985

Michael Fischer
Executive Director Calif Coastal Commission
631 Howard Street
San Francisco, CA 94105
Attn: Brian Baird

Dear Sir:


Our organization is very concerned with the potential environmental problems associated with the increased oil activity along our coast. In particular, we are anxious about the damage that an oil spill could cause to the marine life in our area. We understand that Gulf Oil is getting ready to sink an exploratory well in lease block 505, and that one of the conditions for this well is the establishment of a cleaning facility for oil-soaked birds and mammals.

Since a wildlife rehabilitation organization exists in our area, we would like to suggest that the Central Coast Wildlife Rehabilitation Guild be given sufficient recognition and support so that they will be better prepared to help if the need should arise.

Thank you for your support.

Sincerely,

Nancy Vaughan
President
Morro Coast Audubon Society

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| EXHIBIT NO. 4a |
| APPLICATION NO. CC-31-84 |
| Gulf |
|  California Coastal Commission |

RECEIVED
DEC 14 1984
CALIFORNIA
COASTAL COMMISSION

Michael Fischer
Executive Director, California Coastal Commission
631 Howard St.
San Francisco, CA 94105

Dear Sir:

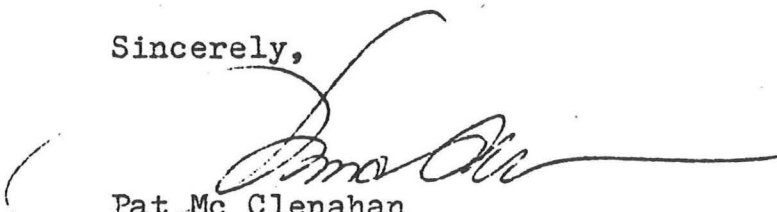
Regarding the property of the Gulf exploratory well on
Leaseblock 505:


We are concerned with adequate seabird clean up in this area
per lease stipulations governing lease sale #73.

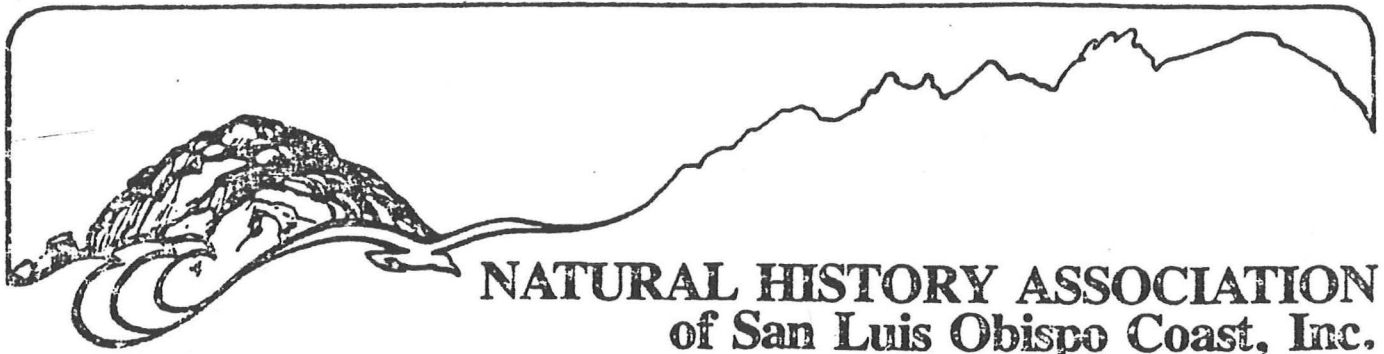
We would like a permanent facility in San Luis Obispo County
where we constitute a large wildlife rehabilitation group.

We will be fully trained, along with other members of other
environmentally oriented groups, within the next two months,
by a representative from the International Bird Rescue
Center of Berkeley, CA.

Sincerely,


Pat Mc Clenahan
President
Central Coast Wildlife Rehabilitation Guild
173 Del Sur Way
San Luis Obispo, CA 93401

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| EXHIBIT NO. 4b |
| APPLICATION NO. CC-31-84 |
| Gulf |
|  California Coastal Commission |



**NATURAL HISTORY ASSOCIATION
of San Luis Obispo Coast, Inc.**

Morro Bay State Park, Morro Bay, CA 93442

December 14, 1984

Michael Fischer, Executive Director
California Coastal Commission
681 Howard Street
San Francisco, California 94105

Attention: Brian Baird

Dear Sir:


We are writing in behalf of the Central Coast Wildlife Rehabilitation Guild, an organization of trained volunteers in San Luis Obispo County. This is the only group providing wildlife care between Santa Barbara and Monterey. Since its inception, this organization has been associated with the Natural History Association of San Luis Obispo Coast, Inc.

With implementation of Lease-sale 73, the potential for oil damage to seabirds and other waterfowl will be ever-present along this coastline. A permanent seabird clean-up facility in this area is clearly needed, and should be provided by the oil companies involved in developing oil leases in this area. We urge the Coastal Commission to require such a facility, in place and staffed, as a contingency for development of off-shore oil along the San Luis Obispo County coast.

Yours truly,

Donald S. Parham
Chairman

DP;eb

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| EXHIBIT NO. 4C |
| APPLICATION NO. CC-31-84 |
| Gulf |
|  California Coastal Commission |

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COASTAL COMMISSION

AIR RESOURCES BOARD

1102 Q STREET
 Q. BOX 2815
 SACRAMENTO, CA 95812

ORIGINAL TO: TobinCOPIES TO: (TALIF)
F. J. J. J.

November 2, 1984

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CALIFORNIA
 COASTAL COMMISSION

Mr. Michael Fischer
 Executive Director
 California Coastal Commission
 631 Howard St., Fourth Floor
 San Francisco, CA 94105


Dear Mr. Fischer:

At the request of the Minerals Management Service (MMS), we have completed our review of Gulf's Plan of Exploration (POE) and Environmental Report (ER) for Lease OCS-P-0505. The POE and ER have been submitted to support Gulf's request that the California Coastal Commission find the Plan consistent with the California Coastal Management Program (CCMP). Our review and comments are limited to the air quality aspects of the project.

Tract P-0505 lies about four miles from shore, in federal waters west of Point Sal, near the Santa Barbara-San Luis Obispo County line. Gulf proposes to drill up to eight wells on this tract, using the vessel Diamond M General or a similar semi-submersible. The first well would be drilled in December, 1984. Each well would take 60 to 90 days to drill and test. Workers would be transported to the drilling vessel by either boat or by helicopter. Supplies would be transported from Port Hueneme by supply boats.

Tract P-0505 is the first Lease Sale 73 tract for which a POE and ER has been received by the MMS. A special stipulation provides for added air quality protection for all Lease Sale 73 tracts. This stipulation requires controls for some emissions, and modeling to evaluate the effect of the resulting emissions on onshore air quality.

The primary source of emissions would be the large diesel engines on the drilling vessel, used to supply power for drilling operations and other related activities. Other emissions sources include flaring during well testing, and vessels (i.e., crew and supply boats and helicopters) used to transport workers and supplies.

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| EXHIBIT NO. 5 |
| APPLICATION NO. CC-31-84 |
| GULF |
|  California Coastal Commission |

General Comments

Our review of the ER and POE indicate that Gulf has not met all requirements of the air quality stipulation. Specifically, Gulf has not performed an air quality analysis assessing the cumulative onshore impact of its emissions along with emissions from other nearby sources. It also appears that the emissions and stack parameters used will underpredict onshore concentrations by more than a factor of two.

We have performed the air quality modeling analysis for inert pollutants using the methods agreed to for Lease Sale 73 by the MMS, ARB, and the Western Oil and Gas Association. It appears from this analysis that impacts from a single drilling vessel on P-0505 will not violate any state or federal air quality standards onshore. Under a fumigation condition, the one-hour nitrogen dioxide (NO₂) concentration at the shoreline was found to be 48 micrograms per cubic meter above ambient levels. The annual NO₂ concentrations were estimated to be less than one microgram per cubic meter above ambient levels.. Onshore concentrations increases above background for particulate matter and sulfur dioxide are less than a tenth as great as the NO₂ concentrations.

It should be emphasized that our modeling analysis is based on a single drilling vessel and uses the same emissions rates and stack parameters as Gulf. If emissions from nearby tracts occur simultaneously with drilling on Gulf's P-0505, the onshore cumulative impacts may (depending on meteorology and drilling locations) be even larger. It is not clear that air quality standards would be met, if cumulative impacts are considered.

For these reasons, we recommend that Gulf revise the impact analysis to include cumulative impacts using approved Lease Sale 73 methods. Based on the results of this revised modeling, additional mitigation may be required by Gulf.

In addition to our concerns over the modeling, we have found that the ER and POE do not contain sufficient information to indicate whether any gas that may be discovered would be high in hydrogen sulfide (H₂S), and whether an H₂S scrubber will be used during flaring. The ER should describe the concentration of H₂S expected to be present in the gas, the concentration which would trigger the requirement for a scrubber, and the expected efficiency of the scrubber at removing H₂S from the gas. In describing expected H₂S concentrations, the ER should include information on the H₂S concentrations found in nearby wells, or in wells tested or producing from the same formations targeted by Gulf.

Following are our specific comments.

Specific Comments

1. The ER and POE state in several locations that emissions from flaring and support activities will be negligible or very minor.

Comment: These emissions are not necessarily negligible or very minor. If gas high in H₂S is encountered, uncontrolled short-term sulfur dioxide (SO₂) emissions from flaring can be substantial. In addition, the cumulative impact from support activities for Gulf's exploration and other nearby exploration and production could be significant.

2. The ER and POE conclude that there will be no cumulative effect from exploratory emissions, since the number of drilling vessels off the California coast is declining, and since these emissions are intermittent and dispersed in nature.

Comment: Gulf has not complied with the cumulative impact assessment requirements of the Lease Sale 73 stipulation. In addition, Gulf has provided no concrete basis for ignoring cumulative impacts. During the early part of October, there were two drilling vessels operating within four miles of Gulf's proposed drilling locations. No basis is provided to conclude that onshore impacts from these three drilling vessels (two existing, plus Gulf's proposal) within four miles of one another would be insignificant. It also appears possible that even more drilling vessels could be present when exploratory operations occur on Gulf's tract.

We recommend that Gulf examine POEs and ERs for other nearby tracts (P-0402, 403, 408, 409, 415 and 416), and develop a "worst case" scenario for onshore impacts. In developing this scenario, it should be assumed that exploratory drilling is simultaneously occurring on all of the above tracts, unless it can be confirmed that no activities will occur on these other tracts while Gulf is actively exploring on P-0505. In addition, Gulf should determine whether exploratory emissions could occur simultaneously with any development and production emissions from P-0409. If this is the case, then emissions from Tract P-0409 should also be considered in a "worst case" scenario.

3. On page 19 of the POE, it is stated that "all gas will be metered and then flared in accordance with local air quality requirements."

Comment: The POE should describe what these local air quality requirements are, and how these requirements will be met.

4. On page IV-5, the ER states that ozone modeling was not required due to the results of "recent studies which indicate that ozone formation from the proposed activities is unlikely."

Comment: This statement could be misinterpreted. Exploratory activities can cause significant ozone formation and impacts. Such impacts are unlikely, however, in the winter months, and thus the modeling guidelines do not require ozone modeling if exploratory activities are restricted to the winter (see my October 1, 1984 letter to Bill Grant; attached).

5. On page A-16 of the ER's Appendix, the NO_x emissions factor used for crew and work boats is from EPA's publication AP-42.

Comment: Most of these crew and work boats use diesel engines whose emission rates are over twice as great as the corresponding figures found in EPA's AP-42. The Appendix uses a factor of 270 lbs. of NO_x per 10³ gallons, while the appropriate factor for General Motors' EMD engines (the most prevalent engines used on crew and supply boats) is approximately 550 lbs. of NO_x per 10³ gallons.

6. Page A-25 lists the maximum emission rate in pounds per hour and the stack gas temperature for the main diesel engines on the drilling vessel. These values are used for the modeling.

Comment: The use of these data cause the modeled concentrations to be significantly understated. The "maximum emission rate" found on page A-25 is actually the average emission rate during the entire exploratory operation, and emission rates for some operations are greater. For example, average emissions during the 30 days of actual drilling are 28 percent greater than the average for the entire exploratory operation, according to information found on page A-11. Similarly, average emissions during movement are approximately twice as great as the average for the entire operation. More complete data ("September 1980 Air Emissions, Pacific OCS Exploratory Drilling Activities," prepared by the MMS, Pacific OCS Region, July 20, 1984) indicate average emissions during

November 2, 1984

drilling are approximately twice as great as the value found on page A-25.

In addition, the stack gas temperature used (800°F) should be approximately 400°F, based on the MMS July 20, 1984 report previously cited.

These changes would more than double the modeled onshore concentrations when compared to the corresponding values found in the ER.

Additional Information Request

To help us better identify the air quality impacts of this and other exploratory projects, we would like Gulf to do the following, if feasible:

1. Install devices to accurately measure fuel or power consumption for the drilling vessel engines, and periodically record fuel or power consumption and activity classification during all operations. Such data should be submitted to the Air Resources Board and the Santa Barbara County Air Pollution Control District in a timely manner.
2. Collect data on wind speed, wind direction, and ambient temperature from the drilling vessel while on the drilling site, and submit these data to the Air Resources Board and the Santa Barbara County Air Pollution Control District in a timely manner.

We appreciate this opportunity to provide you with our comments on the Gulf P-0505 Plan of Exploration and associated Environmental Report. If you have any questions or if we can be of further assistance, please contact Peter Venturini, Chief, Stationary Source Division, at (916) 445-0650.

Sincerely,



James D. Boyd
Executive Officer

cc: Bill Grant, MMS
Mark Wade, Gulf
John English, SBCAPCD
Bob Carr, SLOCAPCD

AIR RESOURCES BOARD

1102 Q STREET
P.O. BOX 2815
SACRAMENTO, CA 95812

ORIGINAL TO: ~~Fischer~~ **EUGENIA**COPIES TO: ~~Travis Tobin~~

GEORGE DEUKMEJIAN, Governor

~~Georgia - Stenberg~~
- KK



November 29, 1984

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DEC 08 1984
CALIFORNIA
COASTAL COMMISSION

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

Dear Mr. Fischer:

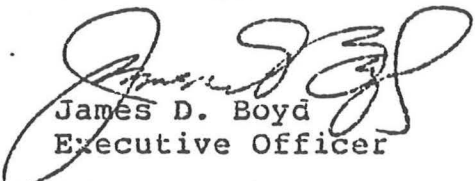
Status of Gulf's Exploratory Drilling on OCS P-0505

Our prior comments on the Plan of Exploration and Environmental Report for Gulf's proposed exploratory drilling on Tract P-0505 indicated that Gulf's proposal did not meet all the Lease Sale 73 air quality stipulation requirements. Our main concern was that cumulative modeling had not been performed.


We have had subsequent discussions with Mark Wade of Gulf and Julie Van Okre of MMS, with the following results. Gulf has indicated they plan to use a hydrogen sulfide (H₂S) scrubber on all gas flared to reduce sulfur dioxide (SO₂) emissions. The use of a scrubber was not proposed by Gulf in their Plan. In addition, it does not appear that any other OCS emission sources will be near Gulf's exploratory vessel during drilling of the first well. Drilling is scheduled in Tract P-0422, which is two tracts south of P-0505, but will be completed before Gulf moves an exploratory vessel onto P-0505. Drilling is also scheduled in P-0408, two tracts west of P-0505, but will start after Gulf has completed the first well on P-0505.

Based on this latest information, it appears that our concerns over Gulf's exploratory drilling on Tract P-0505 have been adequately resolved for Gulf's first well.

Sincerely,


James D. Boyd
Executive Officer

cc: Mark Wade, Gulf
Bill Grant, MMS

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| EXHIBIT NO. 6- |
| APPLICATION NO. CC-31-84 |
| Gulf |
|  California Coastal Commission |

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

February 5, 1985

TO: COMMISSIONERS
FROM: EUGENIA LAYCHAK
SUBJECT: GULF OIL EXPLORATION AND PRODUCTION COMPANY,
CC-31-84, Item 15a, 12/14/85

Attached is Appendix B which was inadvertently omitted from the staff report referred to above.

Please attach it to your copies of the report.

Appendix B

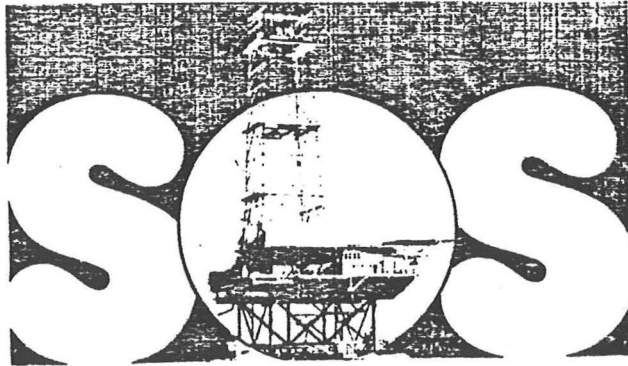
"Air Quality Aspects of the Development of Offshore Oil and Gas Resources," Air Resources Board, 1982.

General Policy Statement on the Ocean Disposal of Drilling Muds and Cutting, adopted 10/10/84.

General Policy Statement on conflicts between the Commercial Fishing and Oil and Gas Industries, adopted 10/10/84.

Final Staff Report and Recommendation on Consistency Determination and Negative Determination on Lease Sale 73, 8/26/83, and related Lease Sale 73 file.

California Coastal Commission Response to the Department of the Interior Bureau of Land Management Call for Nominations to Identify Tracts that should be Excluded from further consideration for proposal OCS Lease Sale #53 of control and Northern California, 7/6/78, and related Lease Sale 53 file.



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February 7, 1985

Mr. Michael Fischer
California Coastal Commission
411 Howard Street
San Francisco, CA 94105

Dear Mr. Fischer & Members of the Commission:

Our organization was dismayed to learn of the staff recommendation to "uphold consistency" on P-0505 of Lease Sale 73. The concerns the Commission addressed in their finding of inconsistency regarding the whole of Lease-Sale 72 apply particularly well to this 9-square mile parcel.

This tract is located just 5 miles from ecologically sensitive and vulnerable estuaries. The Commission's decision to delay exploration of similar regions in Lease-Sale 73 because of onshore air pollution, toxic drilling fluid discharges, and the consequential hazards to endangered marine mammal and bird species, should lead to the same decision against exploration in P-0505. The mitigating procedures described in the staff report, we feel, provide no basis for a consistency finding in this case.

These mitigating procedures are unrealistic and inadequate, for example:

1. Discharges of Drilling Muds, Cuttings and Formation Water.

The General EPA NPDES permits allowing these discharges are fatally flawed, placing no upward limit on the overall amount of Mercury, Arsenic, Cadmium, and Lead which can be discharged into the ocean during exploratory drilling on this site. These permits specify only concentration, with no limit on volume. The EPA has informed us that this draft permit may in fact be illegal.

2. Air Pollution from No. 2. Diesel Engines.

"Best available" technology has not been applied in the problem of air pollution. Number 2. diesel engines will be used to power

Save Our Shore/A Task Force of the Sierra Club
Post Office Box 75
La Jolla, California 92038
Telephone (619) 233-7143

the drilling. The Commission should insist on clean-burning natural gas engines such as propane, which would drastically reduce the amount of oxides of sulphur and nitrogen pollution from offshore drilling.

3. Protection of Wetlands

The 3-4 hour response time (under good conditions) and the equipment for ocean cleanup of an oil spill are totally inadequate. Skimmers will not function in seas greater than 2-3 feet. Containment booms will not stay in place. Realistically, any cleanup operation will occur on the stricken estuary or beach after the damage is done.

The Commission's decision against exploration in Lease-Sale 73 tracts was in the best interests of the people of California, and is consistent with the Commission's purpose of upholding the Coastal Zone Management Act. A finding of "consistency" on this parcel is inconsistent with prior decisions of the Commissions. Such a finding threatens the future of the California coastline in return for a limited short-term benefit. Our organization feels such a trade-off is not justifiable or acceptable.

Sincerely,



Edward D. Gorham
SAVE OUR SHORE

cc: Bill Grant, MMS
John English, SBCAPCD
James Boyd, ARB

EDG:SDG