

PT
7200

July 13, 1993

Mr. W. K. Turner
Chevron U.S.A. Inc.
P.O. Box 7643
San Francisco, CA 94120-7643

Re: Amendment to the Development
and Production Plan,
Point Arguello Field,
Santa Barbara County,
Offshore California

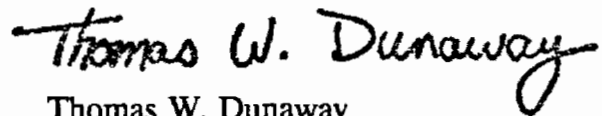
Dear Mr. Turner:

On January 13, 1993, the California Coastal Commission approved the marine tankering permit for the transportation of Point Arguello crude oil to Los Angeles area refineries. Condition PC-7 of this permit requires that prior to the issuance of this permit the Point Arguello Producers shall apply to and obtain from the Minerals Management Service approval of amendments to the respective Development and Production Plans (DPPs) for the three Point Arguello offshore platforms (Hermosa, Hidalgo, and Harvest). This amendment is to specify that the Point Arguello Producers irrevocably commit to cease marine shipment of oil and permanently pipeline all Point Arguello oil to all refinery destinations by January 1, 1996 regardless of whether or not a new pipeline to Los Angeles has been built.

By letter to this office dated June 30, 1993, Chevron U.S.A. Inc. (Chevron) submitted such a proposed amendment to the approved DPP for the Point Arguello Field (Platform Hermosa), Offshore Santa Barbara County, California. This amendment commits Chevron to cease all marine shipments of crude oil produced from Lease OCS-P 0316 and permanently pipeline all crude oil from that lease after January 1, 1996 as described in the proposed amendment.

We have reviewed the proposed amendment to the subject approved DPP and it is hereby approved. Enclosed is a copy of the above mentioned amendment which was approved by MMS.

Sincerely,



Thomas W. Dunaway
Regional Supervisor
Office of Field Operations

Enclosure

cc: Ms. Susan Hansch (w/encl.)
Manager, Energy and Ocean Resource Unit
California Coastal Commission
45 Fremont St., Suite 2000
San Francisco, CA 94105-2219

bcc: File: 1102-01 Point Arguello Field, Lease OCS-P 0316 DPP Corres.
(Hermosa) (w/encl.)
RD (w/o encl.)
Chron (w/encl.)
RS/OEE (Attn: C/EAS) (w/encl.)
DS/SM (w/encl.)
C/POS (w/encl.)
C/PDS (w/encl.)
S/PPPU (w/encl.)
G.Shackell (w/encl.)

OFO: GShackell/pfr:wp51:doc:ltr:PTAGODPP.GCS



June 30, 1993

JUN 12 1993

Chevron U.S.A. Inc.
575 Market Street
San Francisco, California
P.O. Box 7643
San Francisco, CA 94120-7643

Minerals Management Service
770 Paseo Camarillo Street,
Camarillo, CA 93010

Attention: Dr. J. Lisle Reed

Development and Production Plan
Point Arguello Field
Offshore Santa Barbara County, California

Gentlemen:

On January 13, 1993, the California Coastal Commission approved a marine tankering permit for the transportation of Point Arguello crude oil to Los Angeles area refineries. Condition PC-7 of that permit requires Chevron and Texaco to apply for and receive from your agency amendments to the Development and Production Plans (DPPs) for the Point Arguello Field before the permit will be issued. The permit condition, in essence, requires an amendment which irrevocably commits the Point Arguello Field producers to cease marine shipment of oil and permanently pipeline all oil from the Point Arguello Field no later than January 1, 1996 regardless of whether a new pipeline has been built.

Accordingly, Chevron, on behalf of itself and its co-lessees hereby applies for an amendment to the Development and Production Plan for Platform Hermosa, previously approved by the

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Minerals Management Service. Chevron proposes that the language of such amendment read substantially as follows:

This amendment shall be operative only if marine tankering of Point Arguello crude oil from the Gaviota Interim Marine Terminal commences under permit A-4-STB-92-16 issued by the California Coastal Commission, and shall remain operative unless and until the permit is set aside by a final judgment of a court in a legal challenge to the permit brought by a third party. Chevron, its co-leasees and their successors and assigns irrevocably commit to cease all marine shipments of crude oil produced from lease OCS-P0316 to any refinery center at all times after cessation of marine tankering is required by permit A-4-STB-92-16 issued by the California Coastal Commission, and in any event no later than January 1, 1996, and shall permanently pipeline such volumes to all refinery destinations thereafter regardless of whether or not a new pipeline to Los Angeles has been built.

In the event of an emergency as defined in Santa Barbara County CZO section 35-154.5(i)(4)(b) and CZO section 35-154.5(i)(4)(d), the requirements of this


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amendment shall not affect the rights of any party to transport crude oil by
marine vessel.

The language of this amendment has been reviewed and approved by the Executive Director
of the California Coastal Commission who agrees it will satisfy the requirements of condition
PC-7. I would appreciate your approval of this amendment at your earliest convenience.

Very truly yours,

Chevron U.S.A. Inc.

By 
Assistant Secretary

cc: California Coastal Commission