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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Robert E. Huguenard
Project Manager
Arguello Inc.
17100 Calle Mariposa Reina
Goleta, CA 93117-9737

C/OFSE
BELL
FRNDZ RIVAS <i>8/19/03</i>
HALL
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LIM <i>8/19/03</i>
OGAWA
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August 19, 2003

Re: Revisions to the Point Arguello Field
DPP's to include Development of the
Eastern Half of Lease OCS-P 0451

Dear Mr. Huguenard:

In June 2003, the Minerals Management Service (MMS) completed its review of the proposed revisions to the Point Arguello Field DPP's and concluded that the project, with the mitigation measures from the Environmental Assessment, is technically and environmentally sound and complies with Federal OCS oil and gas operating regulations and the National Environmental Policy Act. However, since the project had not yet received concurrence from the California Coastal Commission (CCC), the MMS disapproved the proposed revisions to the DPP's by letter dated July 17, 2003, per the MMS regulations at 250.204(1)(3).

On August 13, 2003, the MMS received notification from the CCC that the proposed revisions will not cause effects on California's coastal uses and resources substantially different than those originally reviewed by the Commission, and that no additional federal consistency review is needed. Because the Point Arguello Field DPP's have all previously received CCC concurrence with their certifications of coastal zone consistency, the August 13, 2003, notification from the CCC means that the original concurrence now also applies to the subject revisions. With this CCC concurrence, and since there have been no changes made to the project or significant changes identified in the available information or impacts following the July 17, 2003, disapproval, the MMS hereby approves, pursuant to 30 CFR 250.204(o)(1), the revisions to the Point Arguello Field DPP's (as received by the MMS on April 1, 2003, deemed submitted by the MMS on April 16, 2003, and modified by Arguello Inc. in a June 12, 2003, letter to the MMS and the CCC). Our approval is subject to the following requirements:

1. Within 30 days of receipt of this approval letter, Arguello Inc. shall submit to the MMS, for approval, documentation that describes how and when Arguello Inc. will comply with the Fish and Wildlife Biological Opinion Terms and Conditions that apply to the proposed project, as described below:
 - a. Annual training for platform operators covering appropriate aspects of the biology of the Brown Pelican, California Least Tern, Western Snowy Plover, and the southern sea otter;
 - b. A pamphlet describing the measures to be taken by platform personnel if oiled wildlife (including listed species) is encountered.
2. At least 30 days prior to commencement of activities under the approved revisions to the plans, Arguello Inc. shall submit to the MMS, for approval, an environmental compliance monitoring plan to monitor and track compliance with all environmental protection mitigation measures to be carried out under this project. This includes all measures described in the approved revisions to the plans or supporting information, all applicable lease sale stipulations, and all applicable measures from the initial Point Arguello Field DPPs, as amended. The monitoring plan shall include submittal dates to report progress to the MMS and note any deviations from the approved plans or supporting information.
3. Arguello Inc. must submit for approval any changes to the approved Measurement and Allocation Plan prior to commencing production from the eastern half of Lease OCS-P 0451.

This approval covers only the revisions to the Point Arguello Field DPP's to include development of the eastern half of Lease OCS-P 0451. Arguello Inc. must obtain approval for an Application for Permit to Drill from the Santa Maria District Supervisor prior to commencing drilling operations.

Please keep our office advised of any changes to the project, including the schedule, prior to making such changes. If you have any questions regarding this matter, please contact Cathy Hoffman at (805) 389-7575.

Sincerely,

(ORIG. SGD.) NABIL F. MASRI

Nabil F. Masri
Chief
Office of Facilities, Safety and Enforcement

cc: Ms. Alison Detmer, California Coastal Commission
Mr. Luis Perez, County of Santa Barbara Energy Division
Mr. Terry Oda, U.S. EPA Region 9

bcc: File: 1703-02(1) Point Arguello Unit DPP Correspondence
1703-02(1) Rocky Point Unit DPP Correspondence

Chron

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M. Hill (electronic copy)

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C. Hoffman (electronic copy)

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