



Plains Exploration & Production Company

December 13, 2012

Ms. Alison Dettmer
Deputy Director
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

RE: Revisions to Platform Hidalgo DPP – Consistency Certification CC-058-12

Dear Ms. Dettmer:

Plains Exploration & Production Company (PXP) received your December 5, 2012 letter stating that the subject consistency certification was incomplete.

This letter is in response to your determination of incompleteness, which was based on the need for 1) additional information about emissions of greenhouse gases (GHG), and 2) the required filing fee.

With regard to emissions of GHG the Point Arguello Project facilities have Part 70/Title V permits to operate (PTO) issued by the Santa Barbara County Air Pollution Control District (SBCAPCD). PTO 9105 was issued for Platform Hidalgo operations. Until recently, Part 70 permits were not required to list GHG emissions from processes. However, all of the Point Arguello Project permits are in a renewal process that will have GHGs listed as now required by EPA regulations (Part 70 Tailoring Rule).

The GHG emissions from Platform Hidalgo are predominately from fuel combustion in turbine generators and crane engines. Platform Hidalgo has four gas and diesel fired turbine power generators permitted by SBCAPCD. These turbines provide all power on the platform. Based on existing permitted fuel use, the maximum GHG emissions (potential to emit) from Platform Hidalgo would be approximately 69,892 tonnes per year (listed in Platform Hidalgo Development and Production Plan [DPP], Attachment D, page D-1).

Baseline emissions for Platform Hidalgo (also listed in Attachment D, page D-1) for 2011 were 34,025 tonnes, as reported to EPA under the GHG Mandatory Reporting Regulation (MRR, 40CFR Part 98). None of these emissions are required to be offset by existing applicable regulations.

The drilling of two wells for the Electra Project at Platform Hidalgo (which is the subject of this DPP revision effort) would involve small amounts of GHG emissions from existing platform power generation turbines, the existing supply vessel, drill rig mud system and support equipment, and onshore transportation equipment. The total estimated GHG emission from the proposed drilling project (listed in Attachment D, page D-1) are 9,123 tonnes. The result of adding these emissions to the baseline (for a total of 43,148 tonnes) is within the maximum permitted emissions for the facility.

After drilling is completed, there would also be a small increase in GHGs associated with the operation of the two new wells from fugitive emissions (63 tonnes per year). The total emissions considering the additional operational emissions would also be within the established project envelope.

The Point Arguello Project offshore facilities are not part of the California AB-32 regulated entities.

Table 4.22 on Page 91 of the DPP refers to the 10,000-tonne significance threshold temporarily set by the Santa Barbara County Planning and Development Department for GHG evaluations on recent projects. The total peak GHG emissions (during drilling) from this project will be less than this significance threshold.

I have enclosed PXP check #440050 to pay the required filing fee.

If you have any further questions or comments please contact me at (805) 934-8220.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Rose', is written over a light blue horizontal line.

David Rose
Manager
Environmental, Health & Safety

Enclosure

CC: Joan Barminski, Bureau of Ocean Energy Management (without enclosure)