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Mayes MSA 1/31/92
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Weaver 1/23/92
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McCabe 1-31-92

January 31, 1992

Mr. William Weldon
Unocal Oil and Gas Division
2323 Knoll Drive, P.O. Box 6176
Ventura, California 93006

Re: Platform Gina (Lease OCS-P 0202)
Development and Production Plan
(DPP) Revision

Dear Mr. Weldon:

On December 21, 1990 Unocal submitted to the Minerals Management Service (MMS) for approval the "Platform Gina Development and Production Plan Revision," which includes one volume and seven appendices and is dated December 4, 1990. Unocal also submitted pipeline applications dated February 11, 1991, with supplemental pipeline application information submitted by letter, dated January 30, 1992. By letter dated April 9, 1991, Unocal supplemented the Development and Production Plan (DPP) Revision with additional information as requested by MMS. By letters to the MMS dated September 6, and September 19, 1991, Unocal also supplemented the DPP Revision with additional information requested by the California Coastal Commission (CCC) and with their consistency certification for the project. The DPP Revision was deemed submitted by MMS on September 23, 1991.

In support of the DPP Revision, Unocal also submitted to the MMS : 1) the "Platform Gina 6-5/8 inch Pipeline Repair Execution Plan, Revision 1, dated December 20, 1991, 2) a report entitled, "Structural Analysis of Platform Gina During Temporary Well Testing", dated January 9, 1992 and prepared by Thomas and Beers, 3) a letter from Unocal to the MMS, dated December 17, 1991, requesting that certain correspondence containing commitments and agreements made by Unocal be incorporated into the DPP Revision, and 4) a statement signed by Unocal and dated January 9, 1992 which was requested by the CCC and concerns Unocal's proposed project in relation to the design life of Platform Gina and the review of future revisions to the project.

Unocal's proposal involves the testing, evaluation, and production of a potential gas reservoir in the Hueneme Field. The DPP Revision includes the repair of the 6-5/8 inch water return pipeline which runs from Platform Gina to shore, conversion of this pipeline to gas service, installation of temporary gas sweetening facilities on Platform Gina, and the testing and production of well no. H-14. After the performance of well no. H-14 is

evaluated, Unocal proposes to finalize the design of the permanent gas sweetening facilities, expand the deck space to accommodate the permanent gas sweetening facilities on the platform, install these permanent facilities, construct additional well slots, drill up to 7 additional wells, and re-complete 2 existing wells.

The MMS has conducted a technical and environmental review of Unocal's proposal. As part of this review, Unocal's DPP Revision was sent to 21 Federal, State, and local agencies, and the Joint Oil/Fisheries Liaison Office.

The MMS environmental review of Unocal's DPP Revision involved the preparation of an Environmental Assessment (EA) which was completed on January 30, 1992. Based on this environmental review, we have concluded that the proposal does not constitute a major Federal action significantly affecting the quality of the human environment. Based on the EA, a Finding of No Significant Impact was made. A copy of the EA is enclosed for your information.

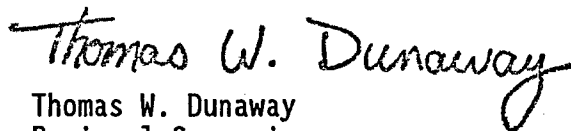
The California Coastal Commission (CCC) has also reviewed this project for consistency with the California Coastal Management Program. On January 14, 1992, the CCC concurred with Unocal's consistency certification for the DPP Revision.

Based on our technical and environmental review, the repair of the water return pipeline, the conversion of the pipeline to gas service, the testing and production of well no. H-14, and the evaluation of the well's performance are hereby approved subject to the enclosed conditions.

Final approval for the remaining activities proposed in the DPP Revision, will not be made until Unocal has submitted to the MMS for review all information relevant to these remaining activities pursuant to 30 CFR 250.

Unocal is reminded that this approval does not authorize Unocal to commence operations. Before proceeding with any operations related to this approval, Unocal must contact the MMS District Supervisor, Camarillo District to obtain any additional approvals and/or satisfy any requirements that he may have.

Sincerely,



Thomas W. Dunaway
Regional Supervisor
Office of Field Operations

Enclosures

cc: Susan Hansch, Manager
Energy and Ocean Resources Unit
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

James M. Strock, Secretary for Environmental Protection
California Environmental Protection Agency
55 Capitol Mall Suite 235
Sacramento, CA 95814

Mr. Peter Venturini, Chief
Stationary Source Division
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Trudy Coxe, Director
Office of Ocean and Coastal Resource Management
National Oceanic and Atmospheric Administration
United States Department of Commerce
Washington, D.C. 20235

Mr. E. C. Fullerton, Regional Director
Southwest Region
National Marine Fisheries Service
300 South Ferry Street
Terminal Island, CA 90731

Mr. Steve Chambers
U.S. Fish and Wildlife Service
Ventura Field Office
2140 Eastman Ave., Suite 100
Ventura, CA 93003

Thomas Berg, Director
Resource Management Agency
County of Ventura
Government Center, Hall of Administration Bldg.
800 South Victoria Avenue
Ventura, CA 93009

James M. Ryerson, Air Pollution Control Officer
Air Pollution Control District
Santa Barbara County
26 Castillian Drive B-23
Goleta, CA 93117

William J. Douros, Deputy Director
Resource Management Department
County of Santa Barbara
1226 Anacapa Street, 2nd Floor
Santa Barbara, CA 93101

Dr. Craig Fusaro
Joint Oil Fisheries Liaison Office
121 Gray Ave., Suite 205
Santa Barbara, CA 93101

Richard J. Maggio, Director
City Planner
Community Development Department
City of Oxnard
305 W. Third St.
Oxnard, CA 93030

Enclosure

Conditions of Approval
Platform Gina DPP Revisions
January 29, 1992

1. Unocal shall conduct all activities as described in the DPP Revision, pipeline application, and supporting documents submitted to the MMS. Pursuant to 30 CFR 250.34, Unocal shall submit to the Regional Supervisor, Office of Field Operations (RS/OFO) for review and approval any changes to the Platform Gina DPP Revision prior to implementing the change during the life of the project.
2. Unocal shall develop a Compliance Monitoring Plan for the Platform Gina DPP Revisions. The Plan shall include all MMS conditions of approval for the DPP Revision and all project mitigations described in Section 4.2 of the MMS Environmental Assessment, dated January 30, 1992, prepared for Unocal's DPP Revision. Unocal must complete and submit to the MMS for review and approval the Compliance Monitoring Plan for each project phase prior to the commencement of any operational activity relating to that phase.
3. Unocal shall present the Western States Petroleum Association Fisheries and Wildlife Training Program for Southern California to all vessel operators involved in construction. This program, including the manual (Fisheries and Wildlife Training Program for Southern California, prepared by WOGA, with assistance by Hooks, McKloskey, & Associates, Inc., 1985) and other materials, also provides information helpful in mitigating impacts on protected wildlife species.
4. Unocal shall deploy and retrieve the anchors in accordance with their anchor plan. Unocal shall submit any changes to their specific plan for anchoring to the MMS prior to anchor deployment.
5. In conducting the pipeline repair, Unocal shall make the cuts to the 6-5/8 inch water return pipeline only during daylight hours. The cuts shall be made no sooner than two hours after dawn and no later than two hours before dusk.
6. Before commencing any pipeline repair activities, Unocal shall notify Clean Seas of the pipeline repair activity, its location, its duration, and the specific timing of any critical operations, such as the cutting of the water return pipeline.
7. Unocal shall conduct the pipeline repairs so that the gas pipeline is internally inspectable in accordance with MMS regulations and Pacific OCS Region requirements.
8. To comply with provisions of the Marine Mammal Protection Act and implementing regulations and National Marine Fisheries Service (NMFS) guidelines, Unocal shall avoid conducting any activity that harasses marine mammals by disturbing or altering the behavior of any marine

mammals sighted in the area. Because harbor seals may be present in the project area, Unocal must take precautions to avoid harassing them.

9. If any gray whales are seen in the area of any construction activity, Unocal shall make every reasonable effort to avoid disturbing them. However, if a gray whale is observed to come into physical contact with construction equipment, or to otherwise exhibit distress as a direct result of construction activities, Unocal shall immediately notify the NMFS and MMS.
10. Unocal shall provide a 48-hour advanced notice to the District Supervisor, Camarillo District (DS/C) of any hydrotest. Samples of the hydrotest water discharge shall be taken when that test is conducted. MMS will oversee this monitoring process by collecting the samples and transporting them to an EPA-approved laboratory for analysis. Unocal shall contract with the test laboratory contingent upon MMS approval. The results of the analyses will be sent from the contracted laboratory to Unocal, MMS, and EPA. NPDES permit limitations shall be met for the effluent.
11. No later than two weeks prior to start up of the temporary sweetening equipment, Unocal shall submit to the MMS RS/OFO for review and approval a complete description of the sweetening system to be used, including the name of the chemical(s) to be used, material safety data sheets for the chemical(s), amounts to be used, frequency and amounts of fresh and spent chemicals to be transported to and from the platform, classification of the fresh and spent chemicals as hazardous or non-hazardous (by EPA classification), plans for disposal of the spent chemicals, and results of toxicity tests (see condition 12). Unocal shall submit to the MMS for review and approval any proposed changes to these chemicals for the life of the project.
12. Prior to start up of the temporary and permanent sweetening equipment, Unocal shall test the chemicals to be used for toxicity in seawater using the methods recommended by the 1991 California Ocean Plan test protocols. The results of these tests shall be submitted to the MMS RS/OFO no later than two weeks prior to start up of the temporary or permanent sweetening equipment. Unocal shall transport in sealed containers any chemicals or byproducts that have not been proven to be nonhazardous according to EPA standards or non-toxic according to the toxicity tests mentioned above.
13. Unocal shall use mooring buoys instead of anchors while the gas sweetening units are being constructed aboard Platform Gina.
14. Unocal shall provide maps of the entire as-built pipelines (including the pipeline section abandoned in place) and power cables, complete with bathymetric contours, latitude and longitude, and Loran C overlays, to MMS and the Joint Oil/Fisheries Liaison Office for distribution to commercial fishermen no later than 120 days after pipeline completion. In addition, Unocal shall provide "as-built" drawings of all platform modifications to the MMS no later than 120 days after the completion of construction.

15. At least two weeks before commencing platform modification operations, Unocal shall provide advance notice of the construction schedule to affected Commercial Fisherman's Associations through the Joint Oil/Fisheries Liaison Office, the NOAA Sea Grant Oil and Gas Newsletter for Fishermen and Offshore Operators, and the U.S. Coast Guard Aids to Navigation and Waterway Management Branch (including the location of the work site, name and telephone of project engineer, size and placement of floating installation equipment or mooring buoys; radio telephone frequencies and call signs of marine equipment, and the schedule for completing the work). The Aids to Navigation Branch should also be advised of any hazard to navigation so that appropriate information can be published in the Local Notice to Mariners. Copies of these notices shall be sent to the MMS RS/OFO. Copies of any notification provided for the pipeline repair work should also be provided to the MMS RS/OFO.
16. If an archaeological resource is encountered, Unocal shall immediately cease operations and notify the MMS RS/OFO and the California State Lands Commission (SLC, if the encounter is inside the 3-mile line), and shall make every reasonable effort to preserve the archaeological resource until instructed by the MMS or the SLC on its preservation, according to provisions of the National Historic Preservation Act and the National Environmental Policy Act.
17. Prior to any gas entering the pipeline, Unocal shall provide the DS/C verification that the redundant H₂S monitoring system (including three monitors - two on Platform Gina and one at the Southern California Gas Company facility inside the Mandalay Onshore Facility) has been installed and is fully operational and functioning properly.
18. Unocal shall provide the DS/C a 48-hour advanced notice of the commencement of any construction operations on Platform Gina.
19. No later than 15 days after the pipeline repairs are completed, and before any gas is put into the pipeline, Unocal shall submit a report to the MMS RS/OFO describing the pipeline repairs, including the methods, equipment and materials used. This report should verify the conformance of the repair work with the DPP Revision, pipeline application, execution plan, and other supporting documentation submitted to the MMS.
20. Pursuant to 30 CFR 250.182(b), Unocal shall not commence surface commingling of production unless the RS/OFO has approved the surface commingling and the method of measurement. Therefore, prior to production of any hydrocarbons into the converted 6-5/8 inch pipeline from Platform Gina to the Mandalay Onshore Facility, Unocal shall submit an application and receive approval for any changes to methods of measurement and commingling.
21. At the completion of month 5 in Unocal's schedule (Table 1, p. 13 of the DPP Revision), Unocal shall submit to the RS/OFO a report which includes Unocal's evaluation of well no. H-14's performance/potential and a description of Unocal's intentions for further development.

22. To mitigate air quality impacts, Unocal shall comply with the following conditions which were developed in consultation with the Ventura County Air Pollution Control District:

- a. Unocal shall provide offsets in accordance with APCD Rule 26, New Source Review, for all permanent NO_x and ROC emissions increases caused by the project, and for all permanent SO₂ emission increases caused by the project if such emission are projected to exceed 15 tons per year.
- b. Unocal shall install BACT (Best Available Control Technology) in accordance with APCD Rule 26, New Source Review, on all new and modified gas processing equipment on Platform Gina. Unocal shall reimburse the APCD for the time spent making the BACT determination in accordance with the APCD's fee schedule. Unocal shall coordinate with and obtain approval from MMS for use of the BACT required by the APCD.
- c. Unocal shall operate all components on Platform Gina in compliance with the provisions of APCD Rule 74.10, Components at Crude Oil Production Facilities and Natural Gas Production and Processing Facilities. Unocal shall submit an Operation Management Plan as required by Rule 74.10 within 90 days of the commencement of gas production or processing. The plan shall also be submitted to the MMS within the stated timeframe.
- d. Unocal shall adjust the SO₂ emission factor and resulting calculated emissions if the actual H₂S concentration of the sour gas is found to be different than the assumed value of 2000 ppm. For the purpose of preliminary estimations, the emission factor of 357.2 lbs/MMCF shall be used.
- e. Unocal shall continuously record the gas flaring rate (not including well testing operations) and calculate emissions using the following emissions factors to demonstrate that annual emissions do not exceed the amount of offsets that have been provided for the project:

ROC - 144 lbs/MMCF
 NO_x - 51.5 lbs/MMCF
 SO₂ - 357.2 lbs/MMCF (or as described in #4 above)*
 CO - 40 lbs/MMCF
 PM - 3 lbs/MMCF

* If sweetened gas is flared, the emission factor shall be adjusted accordingly.

Unocal shall make such records available to the APCD and MMS upon request. Unocal shall continue to follow flaring guidelines as stated in the January 28, 1986 MMS letter to Unocal for Platforms Gina, Gilda, A, B, and C.

- f. Unocal shall treat the gas flared during well testing operations to less than 300 ppm H₂S. Unocal shall collect and analyze at least one gas sample per day of well testing to confirm that the H₂S concentration does not exceed 300 ppm.
21. Unocal shall forward to the MMS copies of all correspondence between the Ventura County APCD and Unocal regarding the DPP Revision.