

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

Pitas Point  
POD-GEN  
CURR

CONSISTENCY CERTIFICATION SUMMARY AND STAFF RECOMMENDATION

CC-4-81  
(Texaco Inc.; POPCO)  
3 Month Period Ends: October 7, 1981  
6 Month Period Ends: January 7, 1982

APPLICANT FOR  
FEDERAL PERMITS:

Texaco Inc., Pacific Offshore Pipeline  
Company

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

U.S. Geological Survey Plan of Development

U.S. Geological Survey Pipeline Right-of-  
Way

U.S. Army Corps of Engineers Platform  
Location Permit

U.S. Army Corps of Engineers Pipeline  
Plan Approval

Environmental Protection Agency National  
Pollutant Discharge Elimination System  
Permit

Installation of production platform on  
OCS P-0234 in the Pitas Point Unit 8.5  
miles south of Carpinteria, to produce  
gas (Exhibit I); and installation of a  
pipeline to transport gas to shore for  
distribution.

NOTED-DUNAWAY



FEDERAL PERMIT  
ACTIVITY DESCRIPTION:

Public hearing and Commission action at  
the September 15-18, 1981 meeting in  
San Diego.

PUBLIC HEARING AND VOTE:

SUBSTANTIVE FILE DOCUMENTS:

1. Pitas Point Unit Development and Production Plan
2. Environmental Assessment/Environmental Impact Report for Platform Habitat and Pipeline for the Pitas Point Unit
3. Consistency Certifications, Findings and Assessments of Texaco Inc. and POPCO.
4. Permit Applications to the U.S. Geological Survey, U.S. Army Corps of Engineers, and Environmental Protection Agency.

SUMMARY AND RECOMMENDATION

Texaco Inc. proposed to install a 24-slot platform, Habitat, in the Santa Barbara Channel on OCS Parcel-0234, 8.5 miles south of Carpinteria, to produce gas from its Pitas Point field; no oil would be produced. The Pacific Offshore Pipeline Company (POPCO) proposes to install a pipeline from Platform Habitat to an onshore distribution point just beyond Chevron's Carpinteria facilities. Because of the properties of the dry, sweet gas, no processing is necessary; only a 40' by 60' odorizing and metering facility is proposed. Expected production from Platform Habitat is 292 billion cubic feet over the life of the field.

Both Texaco's proposed platform and that portion of POPCO's pipeline on the OCS require federal permits and therefore the Commission's review for consistency with California's Coastal Management Program. The part of the project within the coastal zone does not require federal permits and therefore is not subject to consistency review by the Commission. POPCO will apply for a coastal permit for that portion of the project in the coastal zone that the Commission will review in the future.

The staff recommends that the Commission concur in the consistency certifications by Texaco and POPCO for this project. The two certifications have been combined for more efficient and complete review of the project by the Commission.

STAFF NOTE: CONSISTENCY

Under regulations which implement the Federal Coastal Zone Management Act, the United States Geological Survey or U.S. Army Corps of Engineers cannot grant a permit for any activity described in an Outer Continental Shelf (OCS) Plan of Exploration or Development until the Coastal Commission concurs with a certification by the applicant(s) that the activities are consistent with California's Coastal Management Program or determines that the activities proposed have no effect on the coastal zone.

STAFF RECOMMENDATION

The staff recommends that the Commission adopt the following resolution and findings:

I. Concurrence. The Commission concurs in the consistency certifications of Texaco Inc. and Pacific Offshore Pipeline Company that the proposed platform and pipeline installations and development drilling will be conducted in a manner consistent with California's Coastal Management Program. The Commission finds that activities conducted under the Environmental Protection Agency's NPDES permit in this project will have no effect on the coastal zone and therefore do not require consistency review.

II. Findings and Declarations. The Commission finds and declares as follows:

A. Project Description. Texaco Inc. proposes to develop the proven natural gas reserves of the Pitas Point Unit on OCS P-0233, 0234, and 0346 in federal waters approximately 8.5 miles south of Carpinteria in the Santa Barbara Channel. To produce the gas in this field, Texaco will install a 24-slot platform on OCS P-0234, "Habitat", in 285 feet of water. The platform is designed exclusively for drilling and gas production; no oil would be produced in this project. Twenty-one of the 24 wells on the platform will develop the known gas reserves on the three leases; the three other wells will be drilled to explore deeper, potentially oil-bearing formations in the Pitas Point Unit. However, no oil would be produced even if discovered. Drilling of the 21 wells will take about three years to complete. The gas expected from this field is dry and sweet; that is, very low sulfur and approximately 99% pure methane. Maximum gas production will be about 64 million cubic feet per day.

The Pacific Offshore Pipeline Company (POPCO) proposes to construct and install an 8.5 mile long pipeline from Platform Habitat running north to shore where the pipeline will connect with Southern California Gas Company's existing gas transmission line. The proposed pipeline will cross the beach, coastal bluff, and terrace within or adjacent to disturbance corridors created by the installation of existing pipelines to Chevron's facilities at Carpinteria. A subsea cable from Union Company's Platform A will provide electric power for drilling and operations; some of the produced gas will be used to power other operations on the platform.

B. Industrial Development. Section 30260 of the Coastal Act provides in part that:

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 Sections 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.

In addition, Section 30262 provides:

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

...(b) New or expanded facilities related to such development are consolidated, to the maximum extent feasible and legally permissible, unless consolidation will have adverse environmental consequences and will not significantly reduce the number of producing wells, support facilities, or sites required to produce the reservoir economically and with minimal environmental impacts...

The Commission finds that Texaco's proposed project, developing a proven gas field on the OCS, and POPCO's project, transporting that produced gas to shore for distribution, are both coastal-dependent because of need to install the platform on the gas field and to transport the gas to shore where it can be connected with an existing gas transmission system.

Alternatives. One consolidation alternative available to Texaco is the commingling of produced gas from Habitat with the gas being carried from the nearby Dos Cuadras Field to shore. This alternative would eliminate the need for a pipeline to shore from Habitat; only a pipeline to the Dos Cuadras Field would be needed. After careful review of this alternative, the Commission finds that this alternative is not preferable to the proposed project. The Dos Cuadras gas must be processed to remove hydrocarbon liquids and must be compressed prior to sale. More than half of the Pitas Point gas can be sold without compression, and very little dehydration. Use of the Dos Cuadras pipeline would require mixing gas from Habitat with the wet, low-pressure gas and then dehydrating and compressing it along with this other gas, an extra processing step that uses additional energy and is economically less efficient. The Commission finds that consolidation with the Dos Cuadras pipeline would not comply with the requirement of Section 30262.

C. Protection Against the Spillage of Crude Oil. Regardless of the precautions taken against well blowouts and resulting spills of crude oil in the open ocean, there is always a risk of this occurring at a drill site. Such a spill may reach the coast of California and damage marine life, scenic areas, and recreational uses of the coast. The production platform proposed by Texaco is intended to produce gas only so the probability of a major oil spill is therefore reduced. However, spills may still occur from oil associated with the gas being produced, from the three wells drilled into potentially oil-bearing zones, and from bunkering operations at the platform.

Because of this risk, 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.

Onsite Equipment (First Line of Defense). Oil spill containment and clean up 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 Office of Planning and Research report on Offshore Oil and Gas states, "Speed of response is critical to the success of such efforts because: oil slicks are thickest immediately after the spill occurs and thus most easily contained and removed; water-soluble toxic hydrocarbons have not yet been released from the slick in large quantities; and the slick has less time to spread and move toward shore." The following list includes the equipment which the Commission has established as minimum requirements for Plan of Development consistency determinations in the past. The applicant has committed in its plan to include this equipment onboard the platform:

- 1) 1500 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; and
- 4) a boat capable of deploying the oil spill boom on the site at all times or within fifteen minutes of the drilling vessel.

It may be difficult to maintain a workboat or supplyboat onsite or within 15 minutes of the site during periods of adverse sea conditions exceeding 6 to 8 feet. Oil industry representatives have provided testimony to the Commission on the problems involved with mooring a boat near the platform during these periods of adverse sea conditions. The Commission staff is currently reevaluating the oil spill equipment maintained on the site of the drilling operations in the CEIP-funded study of response capabilities in California. Until the oil spill study is complete, the Commission believes that workboats and supplyboats should not be required to stay onsite in seas exceeding six feet because of the difficulty of maintaining these boats onsite under these conditions and because of the drastically reduced efficiency of oil spill equipment in seas over six feet.

Logistical problems with deploying oil spill containment boom in excess of 1500 feet would lengthen the deployment time and decrease the effectiveness of the onsite equipment. Therefore, an increase in the length of containment boom could actually be counterproductive to this first stage onsite containment effort.

Oil Spill Cooperatives (Major spills, second line of defense). In the event of an oil spill, industry is required to notify the Coast Guard (Federal Onscene Coordinator and the State Department of Fish and Game (State operating authority) immediately, so that federal, State, and local agencies can begin to mobilize if the spill turns out to be large. However, under Federal law, the containment and 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 equipment capable of dealing with large offshore spills. The oil spill cooperative used for the Santa Barbara Channel is Clean Seas. The cooperative must be notified immediately in the event of a spill and will be called to the site if the spill is beyond the capability of the onsite equipment. The Coast Guard monitors the entire clean-up operation and if the Onscene Coordinator thinks that the cooperative is not doing an adequate job of clean-up, the Coast Guard can provide direct aid.

Oil Spill Equipment Inspection. The U.S. Geological Survey and the applicants have made the following agreement for inspections:

"The State Agency for Oil Spill Contingency Planning, or their designated representative may accompany the U.S. Geological Survey 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 U.S. Geological Survey in cooperation with the State of California in conjunction with the U.S. Geological Survey'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."

Effectiveness of Equipment under the Coastal Act. The equipment specified by the applicants cannot assure protection of marine resources under Section 30230 nor can it prove effective containment and clean up as required by Section 30232. Under adverse weather conditions such as high wind and waves, oil spill equipment is not effective in containing spills. Section 30260 states that oil and gas development may nonetheless be permitted even when not consistent with other Coastal Act policies if, among other things, adverse environmental effects are mitigated to the maximum extent feasible. The state-of-the-art in oil spill control technology is a factor to be considered in reaching a feasibility determination.

The Commission finds that the oil spill containment and clean up equipment as provided in the proposed Plan of Development and consistency certification provide maximum feasible mitigation at this time and therefore concurs with the Consistency Certification of Texaco.

Concurrence by the Commission, however, is not an indication of satisfaction with the degree of protection afforded coastal resources by the oil spill containment and clean up equipment referenced in this Plan of Development. The Commission's standard of review is based on the maximum feasible capability to reduce the impact of a spill, if one occurs.

D. Air Quality. Section 30253 of the Coastal Act provides in part:

New development shall:

... (3) Be consistent with requirements imposed by an air-pollution control district or the State Air Resources Control Board as to each particular development.

The Santa Barbara County Air Pollution Control District has found that the proposed project would be consistent with their air quality maintenance program. The proposed platform will use electricity provided by a subsea cable run from the Dos Cuadras Unit, thereby eliminating potential emissions from generators on the platforms that would otherwise have to provide this power. Further, the proposed project's goal is to produce natural gas, a clean-burning fuel that can replace more polluting sources of energy. The Commission therefore finds that the proposed project complies with Section 30253.

E. Navigation. Section 30262 of the Coastal Act provides in part:

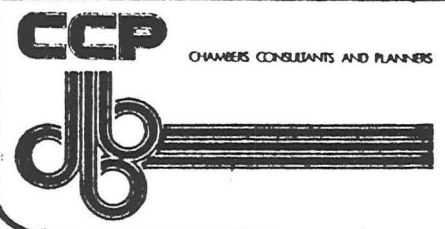
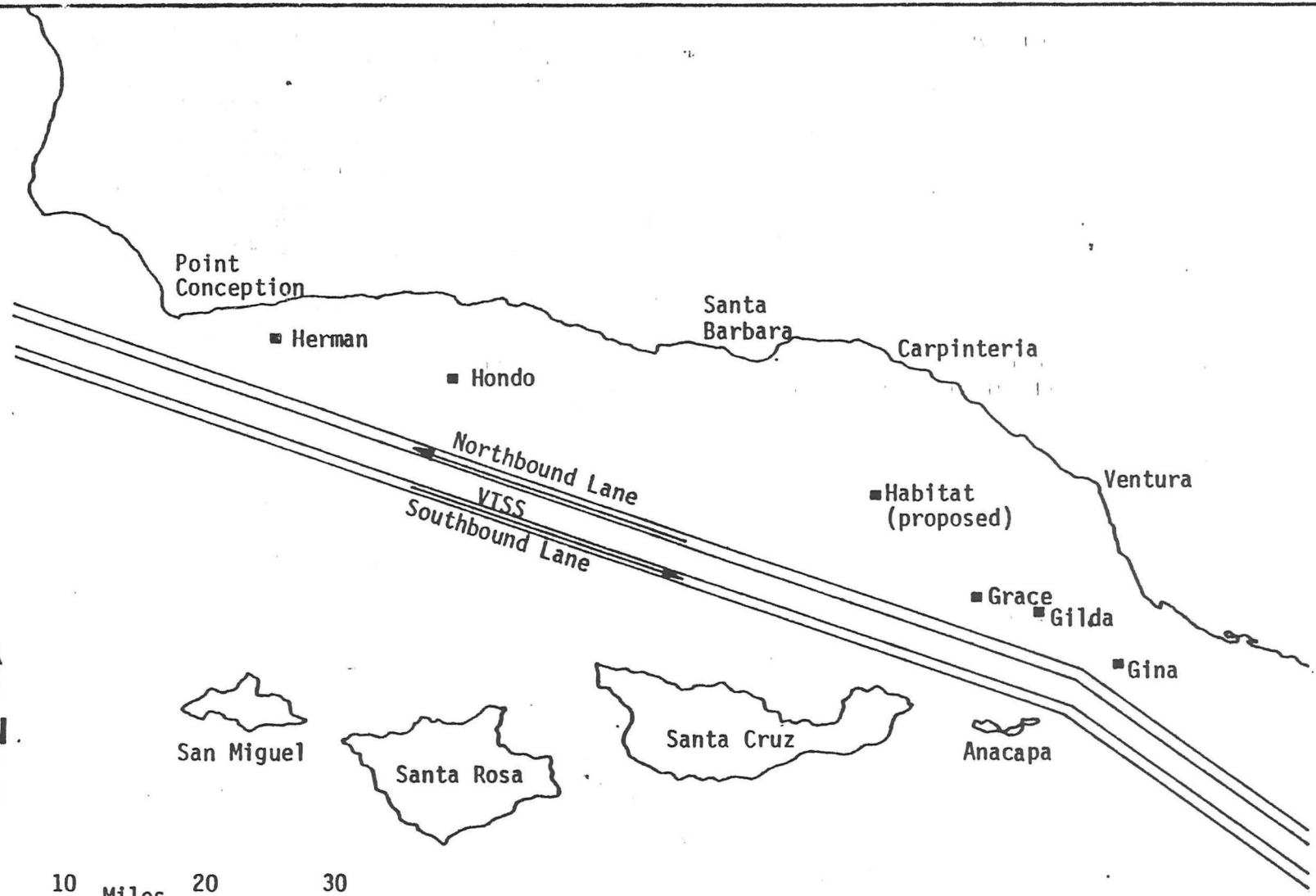
Oil and gas development shall be permitted in accordance with Section 30260, if the following conditions are met:

... (d) Platforms or islands will not be sited where 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...

The Commission has stated in past policy decisions and consistency reviews that no platforms should be located within 500 meters of a Vessel Traffic Separation Scheme, to minimize the risks of collision between the platform and vessel traffic. The proposed platform would be located approximately 7.5 miles north of the VTSS in the Santa Barbara Channel, thus posing no significant hazard to navigation. (Exhibit 1) The Commission therefore finds that Texaco's and POPCO's proposal to install a platform and pipelines on OCS P-0234 would be consistent with the policies of the Coastal Management Program.

F. National Pollutant Discharge Elimination System Permit. (NPDES) During drilling of the 24 wells on Platform Habitat, treated sewage, treated waste water, drilling muds and drill cuttings will be discharged from the platform into surrounding waters. Review of existing studies on the effects of drill muds and cutting on the environment do not indicate that the discharges beyond 1000 meters of the coastal zone have an affect on the coastal zone. The plumes from the discharges and traces of pollutants apparently disperse to background levels at about 1000 meters from the point of discharge. Because the platform will be located five miles from the coastal zone's three-mile limit, the Commission finds that these discharges will have no effect on the coastal zone. Therefore, no consistency review of the NPDES permit is necessary.

G. Multiple Permit Review. Both the federal and Coastal Commission Consistency Review regulations encourage an applicant to simultaneously submit consistency certifications for related applications to several federal agencies for the same project. Texaco and POPCO submitted applications to Corps of Engineers permits for platform placement and pipeline installation, to the U.S. Geological Survey for a pipeline right-of-way, and to the Environmental Protection Agency for a NPDES permit. For all of the reasons stated above, the Commission concurs in the consistency of the U.S.G.S and Corps permit activities as they relate to the proposed Plan of Development and pipeline and makes no consistency review of the NPDES permit.



LOCATION OF VESSEL TRAFFIC SEPARATION SCHEME (VTSS) AND PLATFORMS CLOSER THAN 12 KM (7.5 MILES) TO THE LANES

LEGEND

- Existing Pipeline
- Proposed Pipeline
- - - Proposed Cable
- Platform

Carpinteria

Chevron Pier

Hilda

Hazel

Three Geographical Miles

Heidi

Hope

Hogan

Henry Houchin

Hillhouse

B

A

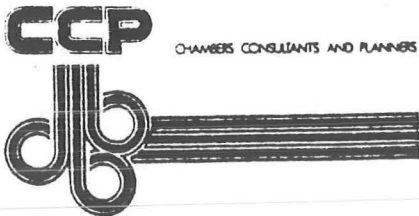
US Lease  
OCS-P 0233

US Lease  
OCS-P 0234

US Lease  
OCS-P 0346

Proposed Platform  
Habitat

0 6,000  
Feet



PROPOSED OFFSHORE PIPELINE ROUTE

EXHIBIT 2



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

FILE: Pitas Pt Unit

POD  
Habitat

STAFF RECOMMENDATION ON REVISED FINDINGS FOR CONSISTENCY CERTIFICATION

CC-4-81

(Texaco Inc.; POPCO)

3 Month Period Ends: October 7, 1981

6 Month Period Ends: January 7, 1982

APPLICANT FOR  
FEDERAL PERMITS:

NOTED - W. H. H. F.  
*Noted Licari*

Texaco Inc., Pacific Offshore Pipeline  
Company

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

U.S. Geological Survey Plan of  
Development

U.S. Geological Survey Pipeline Right-  
of-Way

U.S. Army Corps of Engineers Platform  
Location Permit

U.S. Army Corps of Engineers Pipeline  
Plan Approval

Environmental Protection Agency  
National Pollutant Discharge Elimina-  
tion System Permit

FEDERAL PERMIT  
ACTIVITY DESCRIPTION:

Installation of production platform  
on OCS P-0234 in the Pitas Point Unit  
8.5 miles south of Carpinteria, to  
produce gas (Exhibit 1); and installa-  
tion of a pipeline to transport gas to  
shore for distribution.

PUBLIC HEARING AND VOTE:

Commission action at the September 17,  
1981 meeting in San Diego. Concurr-  
ence with request for additional finding.

SUBSTANTIVE FILE DOCUMENTS:

1. Pitas Point Unit Development and Production Plan
2. Environmental Assessment/Environmental Impact Report for Platform Habitat and Pipeline for the Pitas Point Unit
3. Consistency Certifications, Findings and Assessments of Texaco Inc. and POPCO.
4. Permit Applications to the U.S. Geological Survey, U.S. Army Corps of Engineers, and Environmental Protection Agency.

H. Commercial Fishing Activities.

Installation of the proposed pipeline may pose hazards to commercial trawling operations in the area of the pipeline route because of troughs and rough terrain left after installation occurs. The Coastal Act provides protection for marine resources necessary for commercial fishing in Section 30231:

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...

Commercial fishing is also given protection as a coastal dependent development defined in Section 30101 and has priority over other developments, for example Sections 30233 and 30255.

Popco states in its consistency certification that an offshore pipelay vessel may create mud mounds or other on-bottom anomalies because of use of anchors which could possibly affect commercial fishermen working in the vicinity. To mitigate these potential impacts, Popco has agreed to undertake post-construction survey work to determine if hazards to commercial fishing operations exist, and if so, take necessary corrective action. The pipeline will be designed so that anodes, valves or subsea connectors will not have any projections that snag the nets of trawl fishermen. (Consistency certification p. 5,6) This agreement applies to the OCS.

Within the three-mile limit, County of Santa Barbara, in executing a lease to Texaco to construct and install the pipeline, imposed a condition that requires pre-installation review of pipeline structural plans and a survey of the ocean floor after pipeline installation, and bottom restoration if necessary. The text of lease condition 5A states, on pages 4 and 5:

"The Lessee will have the subsea gas pipeline designed and installed from Platform Habitat to shore such that the installed pipeline will not snag or damage trawling equipment. Structural plans will be submitted to the County Department of Resource Management for approval prior to pipeline construction. The Lessee will minimize the disruption of the ocean bottom caused by pipeline installation. Within 30 days after installation of the pipeline, the Lessee will demonstrate to the Santa Barbara County Department of Resource Management, using the results of dual-channel side-scan sonar surveys conducted prior to and subsequent to pipeline installation, covering the area to at least 1,200 feet on each side of the pipeline, that the ocean floor has not been altered to the extent that trawling could be adversely affected. If the Department of Resource Management, acting for the Board of Supervisors, determines that the ocean floor has been detrimentally altered, the Lessee will restore at his cost the ocean floor to a condition which will not adversely affect trawling and will provide evidence of such restoration to the Department of Resource Management."

Texaco will be assigning its rights and obligations under this lease agreement to POPCO. The lease conditions combined with the consistency certification identify, monitor and mitigate any adverse effects on commercial fishing caused by pipeline installation. Therefore, the consistency certification complies with Section 30231 in the maintenance of marine resources. Of course, the Commission will examine this matter again when it reviews the permit application and can at that time impose conditions necessary to "maintain, enhance, and where feasible restore" marine resources.

