

To: Necitas C. Sumait, Regional Supervisor
Office of Strategic Resources, BOEM Pacific Regional Office

From: Chima Ojukwu, Supervisor
Lease Management Section, BOEM Pacific Regional Office

RE: Completion of the Beta Unit Periodic Review

Date: December 12, 2024

Background

In September 2022, the Center for Biological Diversity (CBD) filed a lawsuit against the Bureau of Ocean Energy Management (BOEM), Secretary Debra A. Haaland of the Department of the Interior (DOI), and the BOEM Pacific Regional Director. *CBD v. Haaland*, Case No. 2:22-cv-06996-CAS-KS (C.D. Cal. 2022). In the lawsuit, CBD alleged a violation of the Outer Continental Shelf Lands Act (OCSLA) at 43 U.S.C. § 1351(h)(3), which states, “The Secretary shall, from time to time, review each plan approved under this section. Such review shall be based upon changes in available information and other onshore or offshore conditions affecting or impacted by development and production pursuant to such plan.”

As part of a settlement agreement related to the lawsuit, BOEM committed to completing a review of the Beta Unit Development and Production Plans (DPP) within one year of December 15, 2023. The Beta Unit is comprised of four leases on the Pacific Outer Continental Shelf (OCS): OCS-P 0296 (Platform Edith), OCS-P 0300 (Platforms Ellen and Elly), OCS-P 0301 (Platform Eureka) and OCS-P 0306 respectively. Following the completion of that review, the DOI’s Office of the Solicitor or their Department of Justice counterparts will notify the Plaintiff of (1) the date BOEM completed the review and (2) the outcome of the review. The BOEM Pacific Regional Office (BOEM Pacific) reviewed the Beta Unit DPP pursuant to OCSLA and the BOEM implementing regulations at 30 CFR § 550.284(a), which states, “The Regional Supervisor will periodically review the activities you conduct under your approved EP, DPP, or DOCD and may require you to submit updated information on your activities. The frequency and extent of this review will be based on the significance of any changes in available information and onshore or offshore conditions affecting, or affected by, the activities in your approved EP, DPP, or DOCD.”

Review Process and Determination

From November 2023 to present, BOEM Pacific identified and reviewed the DPP for the Beta Unit and associated documents to determine if changes in available information may require revisions of the DPP. BOEM Pacific reviewed the following available information:

1. “Programmatic Environmental Impact Statement for Oil and Gas Decommissioning Activities on the Pacific Outer Continental Shelf,” BOEM Pacific and Bureau of Safety and Environmental Enforcement (BSEE) Pacific Regional Office (BSEE Pacific) (October 2023 EIS No. 2023-0145) (Decommissioning PEIS).
2. “Endangered Species Act Section 7(a)(2) Biological and Conference Opinion: Development and Production of Oil and Gas Reserves and Beginning Stages of Decommissioning within the

Southern California Planning Area of the Pacific Outer Continental Shelf Region,” National Marine Fisheries Service (NMFS) consultation #2023-02183 issued on February 27, 2024 (2024 BiOp).

3. Reports on the October 2021 Huntington Beach Oil Spill
 - A. “Anchor Strike of Underwater Pipeline and Eventual Crude Oil Release,” National Transportation Safety Board (NTSB) MIR 24-01, January 2, 2024 (NTSB Report).
 - B. “Pipeline P00547 Incident After Action Report: Conclusion,” California Department of Fish and Wildlife Office of Spill Prevention and Response (CDFW OSPR), February 2022 (CDFW Report).
 - C. “Investigation of October 1, 2021, Oil Spill Incident, Platform Elly, Beta Unit, Pacific Region,” BSEE Pacific, August 23, 2024 (BSEE Investigation Report).
 - D. “Notice of Probable Violation Proposed, Civil Penalty and Proposed Compliance Order,” Pipeline and Hazardous Materials Safety Administration (PHMSA), April 6, 2023, with update on December 26, 2023 (PHMSA Report).
 - E. Plea Agreement in *United States v. Amplify Energy Corp., Beta Operating Company, LLC, d/b/a “Beta Offshore” and San Pedro Bay Pipeline Company*, No. 8:21-cr-00226 (C.D. Cal 2022), August 26, 2022 (Plea Agreement).
4. Requirements associated with oil spill blowout (30 CFR § 550.243(h)) and oil spill financial responsibility for offshore facilities (30 CFR Part 553).
5. Letter titled “Periodic Review of Beta Unit Development and Production Plans” from BSEE Pacific, July 31, 2024 (BSEE Pacific Letter).
6. Annual Plan of Operation (APO) provided to BSEE Pacific by Beta Unit operators for every year between 2018 and 2024, including proposed unit development and operation activities (2018 to 2024 APOs).
7. Information from DCOR from 2023 to present on revisions to the Edith DPP to (1) convert an existing gas pipeline for transport of Gross Fluid Production (GFP) between Platform Eva (State lease PRC 3033) and Platform Edith (Federal lease OCS-P 0296) and (2) to capture electrical generation through a microturbine package at Platform Edith (Platform Edith Pipeline Conversion).
8. Other information sources as noted below.

The review resulted in the following findings:

1. In response to an August 2023 proposal from DCOR, BOEM required an update to the Platform Edith DPP. Changes to the Platform Edith DPP are required to include the pipeline conversion and power generation via microturbines. BOEM is currently reviewing the DCOR submission.
2. A revision to all Beta Unit DPP is required to incorporate mandatory Terms and Conditions from the 2024 BiOp.
3. No other revisions to the Beta Unit DPP are needed at this time.

BOEM Pacific will continue its review of DCOR’s information (to convert the use of an existing pipeline and capture the modification of power generation on Platform Edith) to determine required changes to

the approved DPP. The revision to incorporate the mandatory Terms and Conditions from the 2024 BiOp is applicable for all oil and gas activities in Southern California and all operators have been notified as of November 20, 2024.

Findings of Periodic Review of Beta Unit DPP

1. Decommissioning PEIS.

No DPP revision required. The Decommissioning PEIS is a programmatic document that does not prescribe outcomes; further project-specific environmental review will be conducted when decommissioning applications are submitted to BSEE Pacific. There is no new information contained in the Decommissioning PEIS relevant to the DPP.

2. 2024 BiOp.

DPP revision required. The 2024 BiOp has non-discretionary terms and conditions related to reporting which are new requirements that are not in any of the existing DPP in the Pacific Region. All Southern California conventional energy producers are subject to these new requirements and their DPP must be revised to include the new provisions.

3. Reports on the October 2021 Huntington Beach Oil Spill.

A. NTSB Report

- i. The NTSB Report discusses the October 1, 2021, crude oil release resulting from contact of ships' anchors with an underwater pipeline in San Pedro Bay near Huntington Beach, California. BSEE Pacific authorized the San Pedro Bay Pipeline via Right-of-Way (ROW) OCS-P 00547.
- ii. The report noted that the post-accident examination of vessel traffic in the area determined that on January 25, 2021, vessels anchored nearby were subjected to high winds and seas generated by a strong cold front. As a result, the containerships Beijing and MSC Danit dragged anchor, and the anchors struck, displaced, and damaged the San Pedro Bay Pipeline. The NTSB determined that the MSC Danit anchor contact with the pipeline was the initiating event that led to the eventual crude oil release.
- iii. No DPP revision required. Vessel traffic is considered in the DPP. The United States Coast Guard (USCG) maintains traffic separation schemes (TSS) and safety fairways for the flow of vessel traffic. The USCG standards "In the Approaches to Los Angeles-Long Beach, California" TSS (incorporating the area formerly known as the Gulf of Santa Catalina) are addressed in the DPP. BOEM Pacific's review of the report and related policy documents did not identify any revision required to the DPP because of the NTSB Report findings.

B. CDFW Report

- i. This CDFW Report is an After-Action Report (AAR) summarizing the CDFW OSPR efforts for the October 1, 2021, San Pedro Bay Pipeline oil spill. CDFW OSPR serves as the lead state agency for oil spills in State waters and is the designated

State On-Scene Coordinator for managing response with the Federal government. The CDFW Report is an internal evaluation of performance and documents successes, challenges, best practices, and recommendations for improvement. The CDFW Report is not intended to be fully comprehensive.

- ii. No DPP revision required. The CDFW Report contains a table of recommendations to assess CDFW's internal performance during the San Pedro Bay Pipeline oil spill, including recommendations on coordination with Federal agencies (although the report does not specifically mention BOEM or BSEE). The current Beta Unit Complex Oil Spill Response Plan (Beta OSRP) contains an emergency incident placard listing CDFW as one of several "Notify Agencies" for actual incidents and practice exercises. BSEE regulations at 30 CFR § 254.23 cover notification information in an Emergency Response Action Plan. This includes a listing of State regulatory agencies that must be notified when an oil spill occurs. The 2022 Beta OSRP was approved by BSEE Pacific and contains instruction regarding the notification of CDFW OSRP.

C. BSEE Investigation Report

- i. On August 23, 2024, BSEE published an internal report on the October 1, 2021, San Pedro Bay Pipeline oil release. The BSEE Investigation Report focused on Platform Elly's Control Room and operational procedures. The BSEE Investigation Report was based on information collected during the broader investigation by the NTSB and USCG.
- ii. No DPP revision required. On October 1, 2021, an oil spill incident occurred on the San Pedro Bay Pipeline. BSEE Pacific completed an internal fact-finding proceeding to identify factors that led to the event. As per BSEE jurisdiction, the investigation focused on Platform Elly's control room operations. Currently, the San Pedro Bay Pipeline is regulated under 49 CFR Parts 190 to 199 by the PHMSA Office of Pipeline Safety. Section 7.3.10 of the 1977 Beta Unit Plan of Development (one of the DPP documents) states that the pipeline will be operated and regularly inspected in compliance with the regulations of the U.S. Geological Survey (a predecessor agency to BOEM and BSEE) and Department of Transportation. BOEM's review of the BSEE Investigation Report did not indicate any need for a revision.

D. PHMSA Report

- i. The PHMSA sent the Notification of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order to Amplify Energy on April 6, 2023, with an update provided on December 26, 2023. The PHMSA Report focused on personnel issues, violation of PHMSA standards for a written alarm management plan and failure to notify the National Response Center (NRC) about the oil spill in a timely fashion. PHMSA reviewed the circumstances and supporting documentation for the probable violations and recommended that the operator not be assessed a civil penalty. PHMSA issued a proposed compliance order with requirements for the operator to update various safety procedures affecting the operation of the pipeline and personnel management.

- ii. Per the recommendations found in the NTSB Report, a PHMSA advisory bulletin, “Pipeline Safety: Random Drug Testing Rate; Multi-Factor Authentication; and Operator and Contractor Management Information System Reporting” (Nov. 20, 2024; PHMSA Docket No. PHMSA-2024-0166), was issued to establish the minimum annual percentage rate for random drug testing for covered employees.
- iii. No DPP revision required. After the October 1, 2021, San Pedro Bay Pipeline oil spill incident, PHMSA completed a fact-finding proceeding to identify factors that led to the event. As per PHMSA jurisdiction, the PHMSA Report focused on Platform Elly’s control room operations and personnel management. The PHMSA Report investigated the operator’s response to the oil spill and determined the adequacy of the response. PHMSA identified several deficiencies in the operator’s management of its operating personnel in responding to the oil spill and in its required notifications to the National Response Center. No DPP revision is needed because the DPP requires following DOT standards for safe management of pipelines. The BSEE authorized ROW for the San Pedro Bay Pipeline (ROW OCS-P 00547) requires following regulatory standards for safe pipeline management. Further, similar requirements (e.g., OSRP) are already captured in the DPP.

E. Plea Agreement

- i. On December 15, 2021, a federal grand jury issued an indictment related to the October 21, 2021, oil spill. Amplify Energy Corp., Beta Operating Company, LLC (d/b/a Beta Offshore), and San Pedro Bay Pipeline Company pleaded guilty to one misdemeanor count of negligent discharge of oil under the Clean Water Act. On September 8, 2022, the U.S. District Court for the Central District of California accepted the defendants’ guilty plea and imposed fines and probationary periods.
- ii. No DPP revision required. A federal grand jury indicted based on a violation of criminal law. The Plea Agreement states that the operator "shall revise the Risk & Hazard Analysis in their oil spill contingency plan that has been approved by the California Department of Fish and Wildlife, Office of Spill Prevention and Response (OSPR) [Plan # M5-24-3231] to expressly account for the risk to pipelines from anchors, vessels, or fishing operations." The DPP is not required to be revised because an oil spill contingency plan is already required by the DPP. Any updates to that plan are managed by the CDFW OSPR. The oil spill contingency plan is in addition to the Beta OSRP required by BOEM in the DPP and managed by BSEE. As a term of their probation, the operator must update the oil spill contingency plan with the CDFW OSPR. Further, the Plea Agreement states that the operator will update its personnel management and training practices, will update its leak detection system within 180 days after production is authorized to restart; and will update its procedures for notifying oil spill response agencies and for operating the leak detection systems.

4. Requirements associated with oil spill blowout (30 CFR § 550.243(h)) and Oil Spill Financial Responsibility (OSFR) for offshore facilities (30 CFR Part 553).
 - A. BOEM Pacific reviewed requirements regarding Blowout Preventers (BOP), OSRP, and worst-case discharge (WCD) scenarios.
 - i. The approved WCD scenario in the DPP includes the updated BOP information.
 - ii. Per 30 CFR Part 254, BSEE Pacific reviews and approves OSRPs. The last approved OSRP for the Beta Unit is from June 2022, which remains sufficient.
 - iii. The WCD scenario is comprised of three components: 1) topside discharge, 2) pipeline rupture, and 3) uncontrolled wellbore (blowout). BSEE Pacific is responsible for verifying the topside and pipeline rupture components of the scenario, while BOEM Pacific is responsible for calculating the blowout components. The WCD for the blowout component has remained the same since first evaluated by BOEM Pacific in 2013. On November 2, 2023, BOEM Pacific met with the BSEE Pacific Oil Spill Preparedness Division (OSPD) to confirm the adequacy of the most recent WCD discharge volume (topside + pipeline rupture + blowout) and adequacy of the June 2022 Beta OSRP. Pursuant to the meeting, BSEE Pacific OSPD provided BOEM Pacific, via e-mail, tables containing WCD information for the Beta Unit confirming the adequacy of the Beta OSRP.
 - iv. Regarding OSFR, an operator is required to demonstrate OSFR for a Covered Offshore Facility based on a table matrix depicted in 30 CFR § 553.13(b)(1). The financial amount is based on a tiered WCD volume amount. As of the date of this memo, all Beta Unit operators are in compliance with the OSFR coverage requirements.
 - B. No DPP revision required. Oil spill blowout (30 CFR § 550.243(h)) and oil spill financial responsibility for offshore facilities (30 CFR Part 553) were considered and found to be sufficient.
5. BSEE Pacific Letter.
 - A. To address concerns regarding the continued safe operation of the Beta Unit platforms, BOEM Pacific requested that BSEE Pacific summarize its inspection and testing program and indicate if the results of the Beta Unit inspections and testing are in accordance with BSEE regulatory requirements.
 - B. No DPP revision required. BSEE Pacific's inspection results for the Beta Unit are sufficient. BSEE Pacific provided a summary of inspection results for the Beta Unit platforms and reported that all platforms were "deemed in compliance with 30 CFR § 250.919," which addresses "in-service inspection requirements." Beta Unit platforms and supporting infrastructure are being maintained in accordance with BSEE regulations.
6. 2018 to 2024 APOs.

- A. BOEM Pacific coordinated with BSEE Pacific to receive information about activities captured in the operators' APO to determine if any existing or currently planned future activities would trigger a revision of the approved DPP.
- B. No DPP revision required. BOEM Pacific determined the information provided in the APO would not trigger a DPP revision.

7. Platform Edith Pipeline Conversion.

BOEM is reviewing DCOR's proposed DPP changes and will notify DCOR of the results of our review and updates required to the DPP.

8. BOEM Pacific reviewed the following other information sources:

- A. "Programmatic Environmental Assessment of the Use of Well Stimulation Treatments (WST) on the Southern California Outer Continental Shelf", BOEM Pacific and BSEE Pacific, February 2016.
 - i. BOEM Pacific conferred with BSEE Pacific in which BSEE Pacific confirmed that no WSTs are currently occurring or proposed in the Beta Unit.
 - ii. If any lessee were to propose WST, the lessee would be required to provide an update to their DPP and BOEM Pacific would be required to conduct additional analyses under the National Environmental Policy Act in accordance with the order of the Ninth Circuit Court of Appeals in *Environmental Defense Center v. Bureau of Ocean Energy Management*, 36 F.4th 850 (9th Cir. 2022). BSEE Pacific has not approved any WST requests since the court issued its order. No DPP revision required.
- B. Historical data for flaring and venting activity reported for the Beta Unit. BOEM reviewed gas disposition volumes reported in thousand-cubic feet (MCF) via monthly Oil and Gas Operation Reports, type B (OGOR-B) (See 30 CFR § 250.1163 for reporting requirements). These reports contain gas disposition as reported at the unit level, which here is a sum of all the platforms in the Beta Unit. Volumes are reported monthly by the operators and stored within the joint BOEM/BSEE corporate database, the Technical Information Management System (TIMS). BOEM queried TIMS for monthly gas disposition coded to flaring and venting back to January 31, 1985. The query retrieved data through March 31, 2024, the most recently dated data available in the TIMS database. No DPP revision required.
 - i. The DPP contains a description of flaring and venting equipment as part of a pressure relief and vent system. Therefore, the DPP recognizes the need for occasional flaring and venting but does not state any specific limits, the preference being to use excess gas for fuel or reinjection into the reservoir. At the time of approval, facility emissions were subject to a DOI emission exemption threshold (EET) formula in the past regulation of 30 CFR § 250.57 of the Minerals Management Service (a predecessor of BOEM and BSEE). OCS Environmental Assessments show the proposed activities conducted through the life of the project for Platforms Edith and Eureka were anticipated to remain below the DOI exemption. In the 1978

Beta Unit Environmental Impact Report/Environmental Assessment for Platform Ellen and Elly, an anticipated flaring volume of 890,000 MCF per year was assessed for Platform Elly and Ellen. The most recently available data from TIMS (between January 31, 2021, and March 31, 2024) shows an average of 22,093 MCF per year flared and vented for the Beta Unit as a whole.

- ii. Separate flaring and venting regulations are implemented by BSEE under 30 CFR § 250.1160 and 30 CFR § 250.1161. These regulations outline conditions when gas may be flared or vented, some of which require approval by the BSEE Pacific Regional Supervisor.
 - iii. Additionally, the South Coast Air Quality Management District (SCAQMD) issues air quality permits for the platforms in the Beta Unit. A review of information on the SCAQMD website shows approved permits to operate for the platforms on the Beta Unit.
- C. “Port Access Route Study: The Pacific Coast From Washington to California” (Docket No. USCG–2021–0345) as published by the USCG, June 5, 2023.
- i. The USCG TSS and proposed fairways take existing platform operations into consideration. The study established voluntary fairways for coastwise and nearshore vessel traffic to promote safety of navigation in the study area.
 - ii. No DPP revision required. These requirements are voluntary and do not require changes to the DPP.

Recommended Next Steps:

1. By December 15, 2024, BOEM Pacific will notify the Beta Unit operators that the review of the Beta Unit DPP is complete and that the review resulted in the following findings:
 - A. Changes to the Platform Edith DPP are required to include the pipeline conversion and power generation via microturbines.
 - B. A revision to the Beta Unit DPP is required to incorporate mandatory Terms and Conditions from the 2024 BiOp.
 - C. No other revisions to the Beta Unit DPP are required.
2. BOEM Pacific will continue review of proposed changes to the Platform Edith DPP to convert the existing gas pipeline for transport of GFP from the Eva Platform (State lease) to the Edith Platform (Federal lease) and to capture electrical generation through a microturbine package on Platform Edith.
3. On November 20, 2024, all Southern California operators were notified of mandatory DPP revisions required to incorporate ESA Terms and Conditions as recommended by BOEM Pacific Regional Office of the Environment. BOEM Pacific will continue working with the operators to fully implement the revisions.