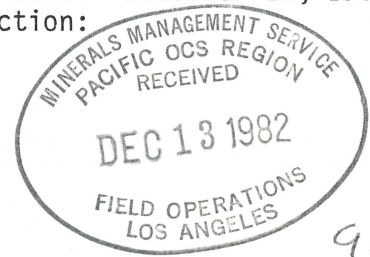


State of California, Edmund G. Brown Jr., Governor

California Coastal Commission
631 Howard Street, 4th floor
San Francisco, California 94105
(415) 543-8555

Michael L. Fischer, Executive Director
William Travis, Deputy Director

Permit Number: E-82-35
3 Month Period Ends: October 23, 1982
6 Month Period Ends: January 23, 1982
49th Day:
180th Day:
Hearing Date: December 16, 1982
Commission Action:



9-2-1

-Combined Staff Recommendation-
Consistency Certification and
Associated Permit Application

| | |
|---|--|
| Applicant | Chevron USA (Union Oil Co. and Champlin Petroleum) ^{yes} |
| Federal Permits that Require Consistency Certification | OCS Plan of Development M.M.S. Pipeline Right-of-Way NOTED-DUNAWAY Corps Navigation Permit |
| Location/Project Description | OCS: Installation of Platform Edith , a 12-leg platform with slots for 70 wells located on lease 296,8.5 miles west of Huntington Beach. Oil pipeline to connect to Shell's existing pipeline at Platform Elly one-mile southeast. Gas pipeline and power cable to connect to existing pipeline at Union's Platform Eva, located in state waters. (Exhibits 1, 2) |
| | Onshore/State Waters: 400 sq. foot substation near Golden West Blvd./PCH, City of Huntington Beach. Power cable installed in abandoned outface line. |
| Local Approval: | Building Permit |
| Substantive File Documents: | City of Huntington Beach Certified Local Coastal Program 11-17-82 |
| Staff Note: | |

The applicant has elected to submit a permit application and consistency certification at the same time, in order to allow the Commission to evaluate the entire project. The United Brotherhood of Carpenters submitted extensive comments on the use of foreign labor in construction and operation of the platform. The Executive Director forwarded these comments to the MMS and State Lands Commission. This issue is not addressed in the staff recommendation because Coastal Act policies do not address labor issues.

I. Staff Recommendation on Permit Application:

The Commission finds and declares as follows:

- A. Approval subject to Standard Conditions

The Commission hereby grants a permit for the proposed development, subject to standard conditions, on the grounds that, the development is in conformity with Chapter 3 of the California Coastal Act of 1976, and the certified Local Coastal Program of the City of Huntington Beach, and, as conditioned will not have any significant adverse effects on the environment within the meaning of the California Environmental Quality Act.

B. Finding and Declarations

1. Project Description and Local Coastal Program

A 400 sq. foot onshore electrical substation to supply power to the platform will be constructed at the Huntington Beach Oil Field, east of Pacific Coast Highway and north of Golden West Boulevard (Exhibits 1,2). The certified LCP designated the site for resource production with such coastal dependent industrial facilities as principal permitted uses. The power cable will be threaded through an existing wastewater outfall traversing the public beach completely underground from the surf zone 3000 meters into the sea towards platform Edith. Gas will be delivered to Chevron's onshore Huntington Beach facilities via Aminoil's existing line at the intersection of Warner Avenue and Algonquin Street. In state waters gas will be commingled in existing gas lines located at existing Platform Eva.

C. Related Coastal Permits

In February, 1982, the Commission granted Chevron a permit (#E-82-2) to remove all surface pipelines along the bluffs immediately to the west of this site, as a part of the City's program to improve beach access to the public beach.

Based on the above, the Commission concludes that project is consistent with the certified Local Coastal Program, and further, as discussed in II.B4 of this recommendation, is consistent with Section 30260 and 30262(b) which encourage location and expansion of coastal development industrial facilities within existing sites and require consolidation to the maximum extent practicable.

II. Staff Recommendation on Consistency:

The Commission finds and declares as follows:

A. Concurrence

The Commission concurs with the consistency certification made by Chevron for OCS P-0296, Platform Edith and associated pipelines, as consistent with enforceable policies of the California Coastal Management Program.

B. Findings and Declarations

1. Project Description

Chevron proposes to install a 70-slot platform, 8.5 west of Huntington Beach, 10.1 miles south of Long Beach in the San Pedro Channel. Of the total slots, 47 will be for producing wells, 18 for water injection to prevent subsidence, and 5 extra spaces (Exhibits 1, 2). The platform will be located one mile northwest of Shell's existing platforms Elly/Eva, also located in the "Beta" field which has been producing since 1975. Chevron proposes to build an oil pipeline, 6800 feet in length to Platform Elly. There the oil will be commingled with Shell's and transported for onshore processing in Long Beach via an existing pipeline. Chevron proposed to build a 34,200 ft. gas

pipeline to Union's Platform Eva in state waters. The gas will be commingled with Union's and transported to Huntington Beach via existing pipeline. A power line will be laid to supply the platform. Production is slated to begin in June, 1983, and peak at 7,900 barrels of oil per day and 6.5 million cubic feet/day of natural gas.

2. Consistency and Environmental Review

Regulations issued pursuant to the federal Coastal Zone Management Act require that the Coastal Commission review an OCS Plan of Development (POD) for consistency with the state's Coastal Management Program. Review includes "all federal license and permit activities described in detail in OCS plans and which affect the coastal zone", such as platform placement, drilling operations, pipeline installation, and construction of facilities associated with the POD such as a processing facility in the coastal zone. Where associated facilities do not require federal permits, but are subject to permit review by the Coastal Commission as in Part I of this recommendation, the Commission's regulations call for applicants to seek consolidated review. Such review enables the Commission to analyze the impacts of the project as a whole, avoiding a piecemeal approach with its incumbent problems.

Information used in this recommendation was derived from data submitted to the Minerals Management Service in 1980 and from the 1982 revisions to the project's location, structure, and design. The State Lands Commission recently held a public hearing on a separate DEIR prepared for the portion of the development located in state waters and onshore. This document does not provide significant additional information from that already provided in the federal EIS. The Executive Director has waived the requirement for SLC preliminary approval because the DEIR and comments thereto have been available in drafting this staff recommendation. The Executive Director has acted according to Section 13053(a)(5) of the Commission's regulations.

Both the Coastal Act and NEPA/CEQA require adequate consideration of alternatives to the applicants' proposed project. For example, an alternative to Platform Edith could occur by directional drilling from Shell's Platform Ellen located 1 mile away. The environmental documents dismissed this alternative based on the conclusion that "partial" development would be "economically" infeasible. There is no analysis of how much of the field could be developed from Ellen; nor is there a recognition that a determination of feasibility is not confined to the economic considerations of the applicant. The Commission must analyze this alternative and has done so under Section 30260 of these findings.

3. 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 areas. Because of this risk, the proposed drilling operations must be consistent with Section 30232 of the Coastal Act, incorporated in 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 cleanup equipment stored 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 following list includes the equipment which the Commission has established as minimum requirements for Plan of Exploration consistency certifications in the past. The applicant has committed in its plan to include this equipment at the drilling site:

- 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;
- 4) a boat capable of deploying the oil spill boom on the site at all times or within fifteen minutes of the drilling vessel; and
- 5) oil storage capacity of 29 barrels, minimum, for recovered oil.

Oil Spill Cooperatives (Major spills, second line of defense). 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 cooperatives which have oil spill cleanup equipment designed for open ocean use. The oil spill cooperative used for this area is the Southern California Petroleum Contingency Organization (SCPCO) and Clean Coastal Waters (CCW).

Dedicated Oil Spill Response Vessels. Chevron has committed by letter dated _____ - that the oil spill cooperative SCPCO/CCW will have an oil spill response vessel dedicated to 24-hour response ready to operate in the event of an oil spill (See Exhibit ____). This vessel will be equipped with two large oil skimmers (Advancing and stationary), oil storage equipment, and oil spill containment booms capable of open ocean use. Chevron has committed to providing deployment of equipment stored at the site of the drilling operations and of the equipment that is located on the dedicated oil spill cooperative vessel. This deployment must meet with the approval of federal and state officials present during the inspection. Chevron has agreed to perform this drill on a surprise basis to help determine appropriate response times and to determine possible ways to improve equipment and personnel performance. At a minimum, this deployment will include the 1500 feet of boom located at the drilling site and 1500 feet of boom from the cooperative vessel. In addition, oil skimmers will be deployed from the drilling site and from the oil spill cooperative vessel. The cooperative vessel will demonstrate skimming operations in both the advancing and stationary modes to meet the standards of the State of California and the federal government.

The Minerals Management Service (MMS) 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 MMS on unscheduled inspection or deployment exercises of the oil spill containment and recovery equipment. All unscheduled inspections of deployments will be arranged by representatives of the MMS in cooperation with the State of California in conjunction with the Service'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. The Minerals Management Service has agreed to call these inspections or calls on a surprise basis.

Maximum Feasible Spill Response. The Commission's standard of review is based on the maximum feasible capability to reduce the impacts of a spill, if one occurs. Section 30232 of the Coastal Act requires that effective oil spill containment and cleanup be provided for spills. The Commission cannot find the Plan of Development consistent with this policy due to the limited capability of available oil spill equipment. However, Section 30260 of the Coastal Act provides that coastal-dependent industrial facilities can be sited if the adverse impacts are mitigated to the maximum extent feasible.

The Commission finds that the oil spill containment and cleanup equipment, and measures for response, as provided in the proposed Plan of Development, Consistency Certification and the supplemental letter provide the maximum feasible mitigation at this time and therefore concurs with the Consistency Certification made by Chevron. This determination is based on the combination of oil spill equipment located at the drilling site, with the oil spill cooperative, and on the successful deployment of this equipment during the surprise oil spill inspection and response drill. Concurrence by the Commission is not an indication of satisfaction with the degree of protection afforded coastal resources by the oil spill containment and cleanup equipment provided. The Commission staff's upcoming oil spill response capability study may indicate the need to update and increase standards for onsite and cooperative oil spill cleanup and containment capabilities. Such findings will be used in future consistency certifications and permit reviews.

4. Industrial Development

a. Introduction:

This finding analyzes both the onshore and offshore portions of the project. The Coastal Act contains numerous policies requiring industrial development to be consolidated. Section 30250(a) requires industrial development to be located within or in close proximity to existing developed areas able to accommodate it. Industrial development may only be located outside existing developed areas if it meets several strict tests of Section 30250. Similarly, Section 30255 requires coastal-related developments, such as the substation, to be located within reasonable proximity to coastal dependent offshore platforms which are supported by it. This policy, in particular, highlights the necessity for the Commission to review combined onshore and offshore projects. Similarly, the first sentence of Section 30260 requires coastal dependent industrial facilities to locate or expand within existing sites. Oil and gas development is further singled out in Section 30262(b) as follows:

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.

All of these policies emphasize the need to examine the project as a whole to determine its siting impacts on the coastal zone.

b. Coastal Zone Facilities.

The Coastal Act defines coastal dependent uses and coastal related uses as follows:

Section 30101.

"Coastal-dependent development or use" means any development or use which requires a site on, or adjacent to, the sea to be able to function at all.

Section 30101.3.

"Coastal-related development" means any use that is dependent on a coastal-dependent development or use.

The substation and powercable are coastal-related uses which supply electricity to a coastal dependent use. As such, their siting must meet Sections 30250 and 30255. The Commission finds that the substation meets 30250 because it will be located within an existing developed industrial area able to accommodate it. The Commission finds that the substation and power cable meet Section 30255 because both are sited at the closest possible proximity to the platform.

The gas and oil pipelines are coastal dependent uses requiring a location in coastal waters in order to transport products from the platform to shore. The pipelines must be sited consistent with Sections 30260 and 30262(b). The Commission finds both pipelines consistent with those policies because they have used existing rights-of-way and pipelines thereby meeting the consolidation policies of the Coastal Act.

c. OCS Platform Edith.

Section 30260 of the Coastal Act provides in part that:

"Coastal-dependent industrial facilities shall be encouraged to locate or expand within existing sites. However, where new or expanded coastal-dependent industrial facilities cannot feasibly be accommodated consistent with other policies of this division, they may nevertheless be permitted in accordance with this section and Section 30261 and 30262 if (1) alternative locations are infeasible or more environmentally damaging; (2) to do otherwise would adversely effect the public welfare; and (3) adverse environmental effects are mitigated to the maximum extent feasible."

The platform cannot meet the siting requirement of the first sentence of Section 30260 because it is a new platform not located within an existing site. As indicated earlier, the first priority under the Coastal Act would locate this development on existing platform Ellen about one mile away.

There are 47 wells proposed, with 18 water injection wells. Water injection wells are required to increase the pressure and flow of the oil out of the other 47 wells. Because most of the play lies north of either Edith or Ellen, approximately 5 of the 47 producing wells could have been located on Ellen one mile south. The Commission finds that this alternative is infeasible because it severely constricts the size of oil field production and will not eliminate the need for a future platform farther to the north. The Oil Spill section discusses public welfare and mitigation requirements of Section 30260.

5. Commercial Fishing.

Commercial fishing is a recognized priority use of the coastal zone (Section 30234) Depletion of fisheries resources both inside the coastal zone and in OCS waters outside the coastal zone will prevent the Commission from protecting the priority use. The federal Coastal Zone Management Act also requires the Commission to protect the coastal zone for Commercial fishing operations. Sections 30230 and 30231 require management of all coastal waters to assure biological productivity of optimum marine life populations, such as fisheries. The main commercial species in this area are anchovies, mackeral, and blue fin tuna. These are migratory species caught by purse seining and gill net methods. Larvae fishes, such as anchovies, California Lake, grunion, and smelt are abundant and spawn along the coastline. (Environment Report, P. 133.) Thus, the Commission finds that diminution of the resource in the OCS affects the biological productivity of the resource in the spawning areas of coastal waters and examines this project for its effect on commercial fishing.

In the recent past, the Commission objected to some plans of Exploration located in fish trawling areas. Operation of drillships has been found to interfere with fishing drag lines. Due to the different method of fishing and the fact that the Platform is a fixed stable structure, the Commission finds that this project is consistent with Section 30230 and 30231. The Commission notes that both the DFG and the fishermen's association have raised concerns about the long-term effects of drilling muds on fisheries resources, addressed in a separate section of this recommendation. However, neither organization has recommended that the Commission object to this consistency certification.

6. Vessel Traffic Safety

Section 30262 of the Coastal Act will not allow platforms to be sited where a substantial hazard to vessel traffic might result, determined in consultation with the U.S. Coast Guard and Army Corps of Engineers. The platform will be located in the separation zone between the two shipping lanes, 6,076 feet from the northbound lane, and 5,468 feet from the southbound lane. The separation zone is 2 nautical miles wide bordered by a 500 meter buffer zone on each side. The Commission has carefully examined the issue of vessel traffic safety in the past and has found that the placement of temporary or permanent structures in the buffer zones of the VTSS poses navigational hazards. Placement of such structures in the separation zone does not pose unacceptable hazards if the location is not in proximity to traffic fairways, bends in the VTSS, or similar areas requiring additional maneuverability as an extra margin of safety. Therefore, the Commission finds that this project is consistent with Section 30262.

7. Air Quality

As a part of its approved CCMP, the Commission must determine if the project affects air quality of the coastal zone. The Commission relies heavily on the technical expertise of the California Air Resources Board (ARB) in making this determination. As to this particular project, ARB has commented extensively. ARB's review indicates that the project complies with applicable onshore rules of the South Coast Air Quality Management District. Therefore the Commission finds the project consistent with Section 30253(3) of the Coastal Act and Section 307(f) of the CZMA.

8. Visual Resources

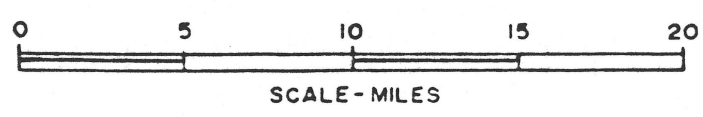
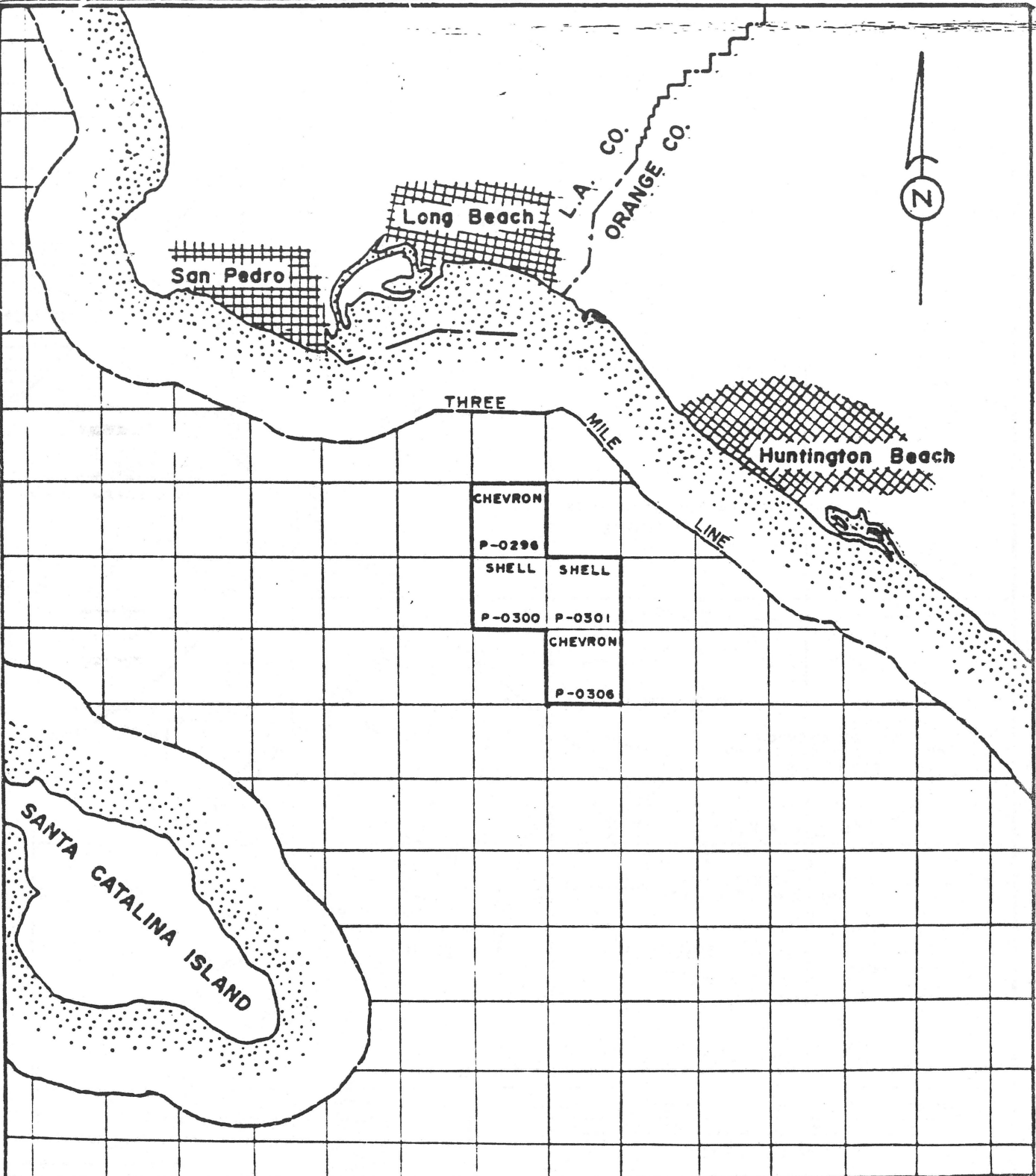
Visual qualities of coastal areas are to be protected under Section 30251. Section 30262(c) requires subsea completions instead of platforms in areas where visual resources will be substantially degraded. The Commission finds that visual quality will

not be degraded by this project because it is located near existing platforms both in state waters and the OCS and because much of the adjacent onshore coast is also designated for oil resource production.

9. NPDES.

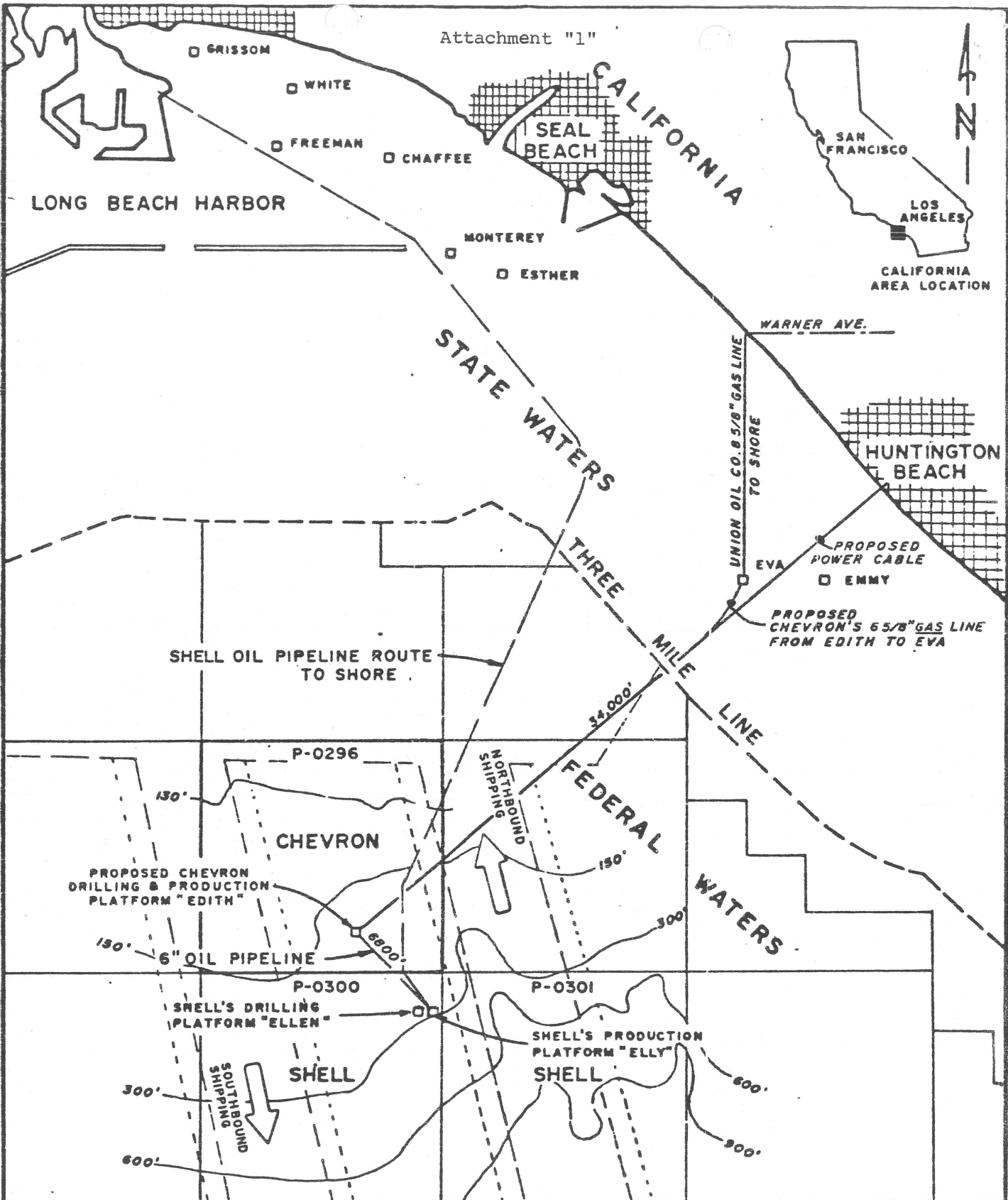
The DFG recommends against ocean discharge of drilling muds prior to adequate investigations of its effect on marine organisms. The Fishermen's Cooperative Association has expressed similar concerns. During development drilling, treated sewage, treated waste water, drilling muds and cuttings will be discharged from the platform into surrounding waters. Currently, there are two monitoring programs in state waters measuring the effects of drilling discharges from Aminoil's Platform Emmy and Chevron's Island Esther off Seal Beach. These sites, located in quite shallow water will not be directly applicable to OCS platforms because wave surge in shallow water disperses the fluids. The Central Coast RWQCB is also monitoring muds and cuttings in relation to exploratory drilling. The National Academy of Sciences is also preparing a study on this issue.

The Commission's responsibility in this area is similar, but not identical to its responsibility over air quality. As to technical expertise on the levels or toxicity or pollution, the Commission relies on the Water Resources Control Board and the Department of Fish and Game. It must, however, independently assess the situation to determine if the discharges affect the coastal zone marine environment. At present, the Commission has determined that there are no demonstrated effects on the use of land or water within the coastal zone from drill cuttings and muds discharged more than 1000 meters from the coastal zone. This conclusion is based on studies of the travel distance of discharged fumes. Benthic organisms are smothered by cuttings. Some species may recolonize, but field studies cited by the oil companies indicate that new communities assemble. However, a 1981 study of cuttings from Platform Emmy found virtually nothing living in the cuttings pile. It may be possible to establish coastal zone effects by using some other data than the travel distance of discharge fumes. For example, accumulation of drilling muds in the food chain could reduce the biological productivity of all coastal waters. The Commission remains troubled and concerned about this issue even though no consistency review is currently required for drilling muds discharges more than 1000 meters from the coastal zone. Ocean disposal of drilling muds and cuttings are especially troubling in regard to platform construction where the accumulation could cover up to 75 acres over the life of the structure.



Chevron U.S.A. Inc.
Western Region Production Department

**REGIONAL MAP
SAN PEDRO BAY DEVELOPMENT**



CHEVRON PLATFORM "EDITH" LOCATION
 $X=1,424,260$ $Y=525,220$
 CALIFORNIA (LAMBERT) COORDINATE
 SYSTEM ZONE 6



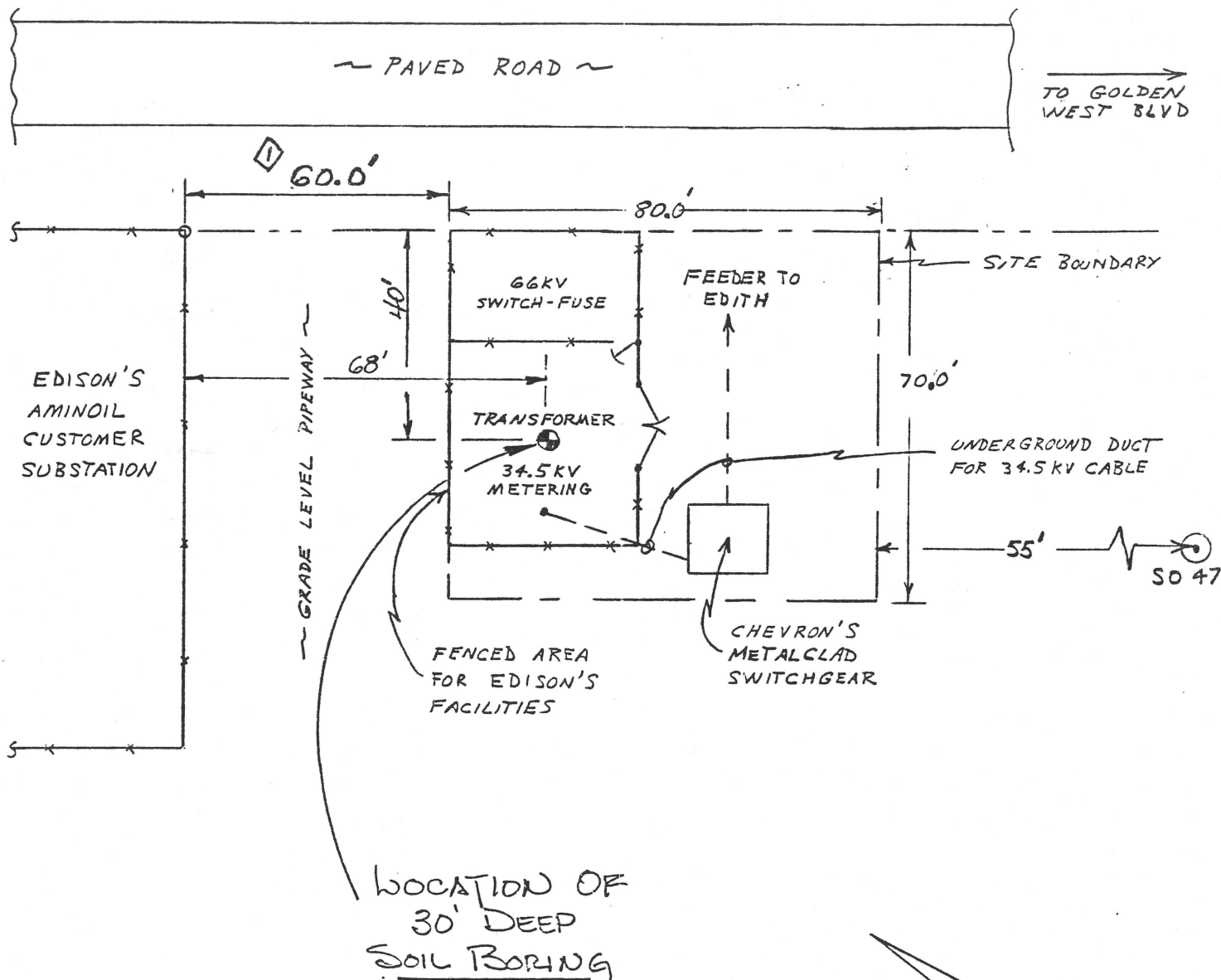
Chevron USA Inc
 Western Region Production Department

CHEVRON'S PLATFORM "EDITH"
 SAN PEDRO BAY DEVELOPMENT

DATE 3-22-82

EXH. 1
~~FIGURE 2-2~~

DATE 6/30/81 PROJECT PLATFORM EDITH JOB NO. _____
 BY: REL CHK.: _____ SUBJECT EDISON CUSTOMER SUBSTATION FOR EDITH - PROPOSED ARRANGEMENT



① INCREASED FROM 50' TO 60' PER AMINOIL REQUEST. 4/21/82 REL

1" = 30'
 CHEVRON USA
 HUNTINGTON BEACH
 OIL FIELD

EXHIBIT-2

Bucannon - commercial diver - lack of regard by oil industry
for oceans

~~Schawb~~
Connor - WB of C

Wormum
Grossman } - discharges (barping & studies)

Flynn - labor problem related to safety