

# Earth Day 2023 Oil and Gas Update

The following is a brief synopsis of the currently existing or proposed oil and gas projects in Santa Barbara County, countywide and by geographic area.

## Santa Barbara County

### Federal Five Year OCS Proposed Program

On January 8, 2018, the Bureau of Ocean Energy Management (BOEM) proposed wholesale leasing of the entire western coast of the US, including all of Santa Barbara County. Fortunately, that plan was rejected by the new administration in 2021

**Status: On June 30, 2022, the Department of the Interior issued a new Draft 2023-2028 Five Year Leasing Plan. There are no leases proposed for the Pacific Region.**

### Exxon Oil Trucking Proposal

In 2017, Exxon submitted a new application to the County to construct a truck rack and to truck up to 70 trucks of oil per day (10,000-12,000 bbls/day) from Las Flores Canyon up to Santa Maria (was 30,000 bbls/day when the pipeline was operating), for up to seven years unless a new pipeline is completed sooner, or the existing pipeline is put back into use. The project, which will allow for the resumption of production on Exxon's existing federal platforms, raises serious concerns about the risk of an oil spill, air quality, traffic.

**Status: On September 29, 2022, the Santa Barbara County Planning Commission voted to recommend to the Board of Supervisors that it deny this risky proposal. On March 8<sup>th</sup>, the BOS denied Exxon's request to truck oil. As a result, Exxon will be unable to restart production on its platforms (Hondo, Harmony and Heritage) in the Channel. On May 11, 2022, Exxon filed a lawsuit against the County in Federal court (federal and state issues). EDC, GOO! and other environmental groups were granted permission from federal court to intervene on behalf of the County. A hearing is scheduled for June 16<sup>th</sup> in LA. A decision could be made from the bench or the judge could take it under submission.**

### Plains New Pipeline Project

In 2017, Plains submitted an application to SB County to replace Lines 901/903. The segment, which will carry up to 40,000 bbls of oil per day (existing pipeline permitted at 200,000 bbls/day) will run through SB, SLO and Kern Counties, from Las Flores Canyon to Pentland, 125 miles; 2.5 miles of which runs through the Carrizo Plains National Monument which did not exist when the original pipeline was built. The new line will be smaller in diameter than the old line, but will follow the existing pipeline corridor, with exceptions to avoid impacts to blue oaks and the City of Buellton jurisdiction. A 100,000 barrel storage facility will be needed at the Sisquoc pump station and a third pump station will be constructed between Sisquoc and Pentland to allow the pressure in the pipeline to be reduced by 50%. 30 new valves will be added, for a total of 49. Auto shut-off systems may be added per state Fire Marshall's requirements. The project is expected to take 3-5 years to permit and construct. Exxon will be the main user of the pipeline. Plains is proposing to abandon the existing pipeline in place, filled with inert gas. SB County will be the lead CEQA agency.

BLM will be the lead NEPA agency. EIR issues include: biological, cultural, construction traffic and air quality, risk of oil spill at minimum.

**Status: Release of the combined Draft EIR/EIS is on hold while the applicant completes some required plant surveys being done in Spring, 2023. In the meantime, EDC informed GOO! that Exxon/Mobil has purchased the existing Plains pipeline, as well as the new proposed pipeline project. Exxon, in turn, is proposing to sell that interest to Sable, a little-known company. The County, which is lead, proposed the transfer of Permanent Ownership from Plains to Exxon and the designation of Exxon as Temporary Operator in the first action. Making Exxon the Permanent Operator would then be approved later in a second action. All responsibilities, including liability, would transfer, however it is also critical that Plains retain liability as this will set a precedent. On March 13th, the Director of the Planning Commission approved the first step, but that approval has been appealed to the Planning Commission by EDC and two other groups. A hearing is set for June 14, 2023**

### **Pt. Arguello Platforms Decommissioning**

Freeport McMoran is responsible for plugging and abandoning the wells on Platforms Hidalgo (14 wells), Harvest (19 wells) and Hermosa (13 wells). Chevron is responsible for decommissioning the platforms and the onshore processing facility. Plugging and Abandonment activities on the platforms were completed in 2021.

**Status: The DRAFT Programmatic EIS for decommissioning of platforms in federal waters was released on October 12, 2022. Comments were due on January 10<sup>th</sup>--GOO! signed the comment letter that EDC submitted. An EIS will be required for each individual platform.**

### **Offshore Wind Energy**

Wind energy proposals have been made in both State waters near VAFB (CADEMO and BW-IDEOL) and in the Morro Bay Wind Energy Area in federal waters.

In October, 2021, the SLC voted to allow the two projects in state waters to proceed to the leasing process. Comments on the Preliminary Environmental Assessment for leasing were due on 9-13-21. These two projects are now on a separate time line, with the Cademo application having been found complete.

**Status: EIR Scoping for the Cademo Project is expected in 2023, with the environmental review and permitting processes likely to take 18 months.**

Comments were due on the Morro Bay Wind Energy Area request on 9-13-21. A Final Environmental Assessment and Finding of No significant Impact was issued and the Coastal Commission conditionally approved a CZMA federal consistency determination at its June 8-10 meeting.

**Status: Lease sales for Morro Bay (and Humboldt) were held on December 6, 2022**

## Goleta

Significant changes have occurred in the oil and gas projects originally proposed by Venoco, Inc. Following the 2015 Refugio Oil Spill, Venoco declared bankruptcy and later quitclaimed its Goleta leases to the State Lands Commission. Those original projects are described below, with the current status of their abandonment and decommissioning.

### **South Ellwood Platform Holly and Ellwood Onshore Facility (EOF) Decommissioning**

A number of projects have been proposed for the full development of the Ellwood Field. Most recently Venoco, Inc. resubmitted an application to the SLC to extend the eastern boundary of State offshore lease (3242.1). The DEIR was released on September 16, 2016, however, the project stalled and Venoco declared bankruptcy.

Plug and abandonment activities, which commenced in October, 2019 and then placed on hold due to Covid-19, were restarted in October, 2021. The first set of wells will be plugged and abandoned using coiled tubing (12-16 wells). The balance of the wells will be abandoned using the drill rig.

**Status: All 30 wells have been plugged and abandoned and are being monitored to ensure well pressure integrity. As part of the Planning and Environmental Review process, the SLC will soon begin working on a Feasibility Study which will identify a project description and one or more alternatives. Once the feasibility study has been completed, environmental review for the decommissioning of Platform Holly will begin, followed by actual decommissioning which could take 2-3 years.**

Due to the quitclaim of state leases, the EOF will be decommissioned once it is no longer operating (post plugging and abandonment of the Lease 421 piers and Platform Holly). As soon as the plugging and abandonment of wells on Platform Holly is fully completed, the SLC may no longer continue to operate the EOF and will relinquish it to Venoco unless another arrangement is made.

**Status: The City of Goleta has jurisdiction over the ultimate decommissioning of the EOF. Since the \$22 million bond for the decommissioning of Platform Holly does not cover this facility, additional funds will be needed to decommission the EOF. SLC staff is working with the City on issues related to EOF decommissioning. The acquisition of the EOF site by the State is being discussed.**

### **Lease 421 Piers Decommissioning**

Venoco submitted an application to the SLC on May 19, 2004 to recommission the wells on the Lease 421 Piers. That project was approved by the State Lands Commission on December 17, 2014. On January 15, 2015, the City of Goleta filed a lawsuit challenging SLC's approval of the project and certification of the EIR. On April 13, 2017, Venoco quitclaimed Lease 421 to the State Lands Commission. As a liability holder, Exxon-Mobil completed P&A activities in April-May, 2019 on the 2 Lease 421 wells.

**Status:** The environmental review process for the decommissioning of the Lease 421 piers began following completion of the P and A activities. The DEIR was released in January, 2022 with public hearings being held remotely on February 10th. A public site visit and public hearing was held in Goleta on April 26, 2022. GOO! attended and voiced its support for the project, but expressed concern that the inland road and rock revetment were not part of the project (Component 2). The FEIR was certified and the permits approved for Component 1. Decommissioning began on August 29, 2022 and was completed in February, 2023. SLC and the City are looking for funding for the decommissioning of Component 2.

## Carpinteria-Summerland

The Carpinteria/Summerland area has had a history of oil and gas development beginning in the late 1800's when oil wells were drilled on piers all along the coastline. The Becker Well was one such well. Problems related to increased leaking from the Becker Well were brought to the attention of the State Lands Commission in 2013 by local state legislators, concerned citizens and environmental groups.

### Summerland Legacy Wells

In August of 2015, the **Becker Well**, located on Summerland Beach below Lookout Park, began significant leaking necessitating the closure of that beach for four days. The State Lands Commission conducted an investigation and assessment of the Becker Well and in October, 2015 obtained permits to excavate and uncover the well to assess its physical condition.

**Status:** The Summerland Becker and Legacy Wells Abandonment and Remediation FEIR was certified and a permit approved by the State Lands Commission on 8-17-17. Abandonment was completed in February, 2018. Abandonment of the Treadwell and Northstar wells was completed in 2020. The CH Olsson and Duquesne Wharf well abandonments were completed in 2021. The next two wells slated for abandonment are Treadwell 1 and 5 (\$2.7 million for both). Funds are needed from both the 2022-23 and 2023-24 fiscal years, so that abandonments can occur in 2023-24.

**SB 44 (Jackson)** signed into law on 10-10-17 addresses the remediation of these legacy wells, as well as natural seepage issues. The bill creates a revolving fund to enable the State Lands Commission to implement the bill.

The State Lands Commission has already begun a legacy wells inventory. A paper records search of the 198 pre-1938 (category one-high priority) wells revealed that 190 are in Summerland and 8 are in Ellwood (Goleta). Four leaking wells were identified in Summerland. In addition, as a result of the February, 2017 winter storms, the beach at Summerland was severely eroded, exposing several additional legacy wells, two of which were previously unknown to the State Lands Commission.

### Carpinteria Decommissioning Projects

Chevron has taken possession of the former Venoco Carpinteria facilities, including two federal offshore platforms (Grace and Gail) and the onshore processing plant. Chevron has indicated its intention to decommission the facilities.

**Status: Plug and Abandonment activities have been completed on Platform Grace (28 wells) and are continuing on Platform Gail (28 wells), which will be the largest platform to be decommissioned in the USA. Platforms A, B and C (DCOR) which are in the Dos Cuadras Field, are still operating.**

The Carpinteria City Comprehensive Zoning Code update initiated in 2015 could include the re-designation and rezoning of the Carpinteria oil and gas facility to a non-industrial use similar to the Goleta EOF. **An NOP on the Zoning code update (including oil regulation) was released on August 1, 2022.**

The **Carone Petroleum Company** proposed to develop State Oil and Gas Leases 4000, 7911 and 3133 from a federal platform, Platform Hogan, installed in 1967, and send the oil to the La Conchita onshore facility. However, on June 28, the State Lands Commission voted to terminate State Leases 3133.1, 4000 and 7911, the last active leases in State waters offshore SB County, for failure to pay rent for four years. These leases are now part of the California Coastal Sanctuary. With the leases now terminated, federal Platforms Hogan and Houchin, which are no longer functioning, expired 10-21-20.

**Status: Preparation is now occurring for P and A activities to begin on Platforms Hogan (52 wells) and Houchin (Signal Hill/Conoco Phillips).**

### **Chevron Debris/Shell Mounds**

These debris/shell mounds were left behind after the four “H” Platforms were removed from the Santa Barbara Channel in 1996. Conditions on the State Lands and Coastal Commissions’ permits require that the area beneath the platforms be restored to a natural condition and be “trawlable”. Due to these debris/shell mounds, these requirements have not been met.

SLC received an application to leave the mounds in place and provide for mitigation at Carpinteria Salt Marsh. The DEIR was supposed to be released in 2015, however SLC staff instead initiated an environmental analysis that will yield the same information as the EIR and will consider the leave in place with mitigation project.

**Status: SLC staff has now begun focusing on the options available to address the shell mounds issue. The staff has hired a consultant to prepare a "white paper" on the history of the shell mounds issue and an environmental assessment of the various options for addressing the situation. Once a draft is released, it will then undergo scientific peer review.**