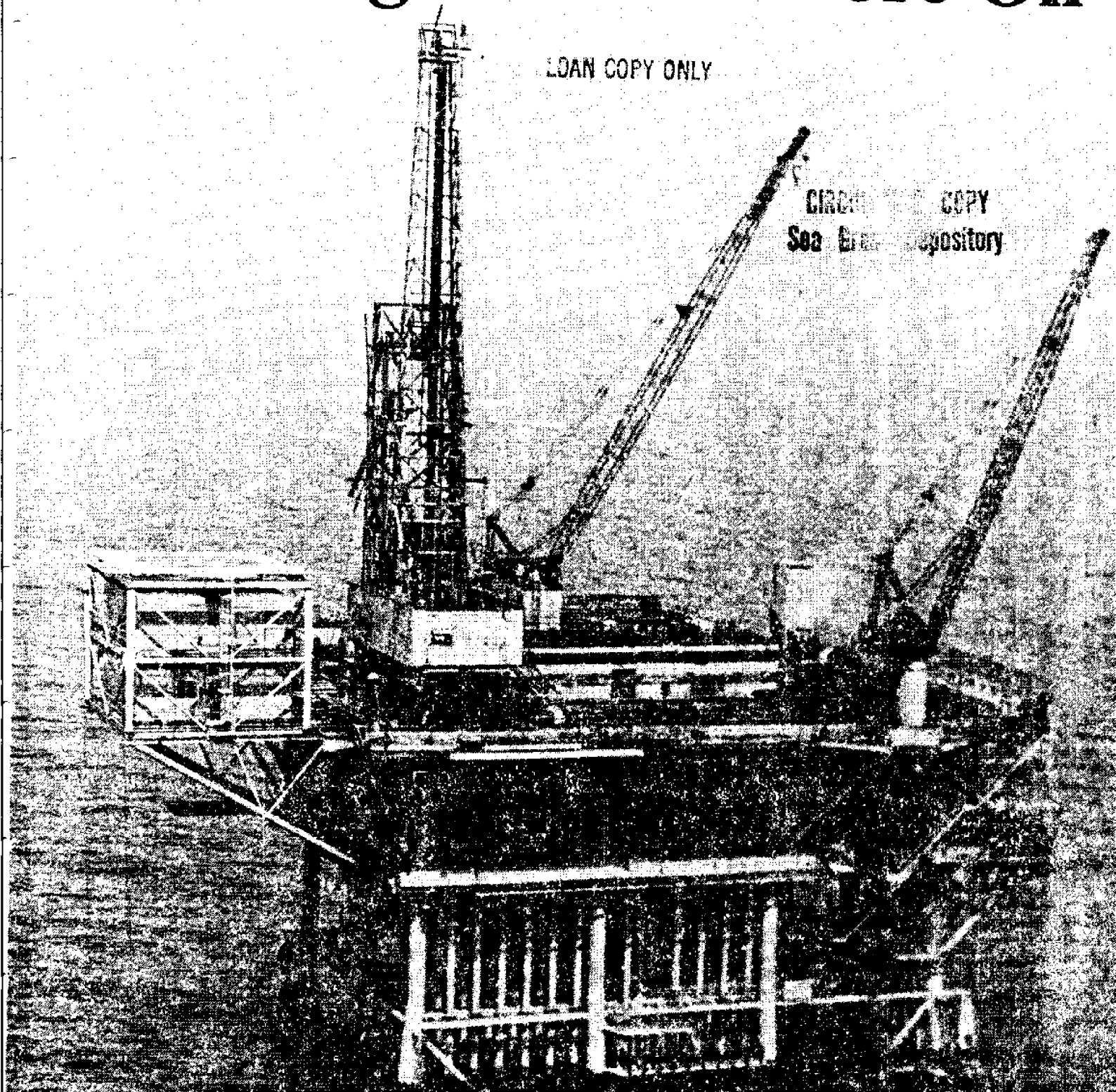
Cooking With Offshore Oil



A Handbook for California Local Government

By Martin Chorich

University of Southern California, Sea Grant, Marine Advisory Services Oc Training Project, Patrick Heffernan, Directo

August, 19

By

MARTIN CHORICH

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Sea Grant Program
Los Angeles, California 90007

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Introduction

We have called this handbook Cooking With Offshore Oil because it collects recipes California local governments have devised to respond to Federal Outer Continental Shelf leasing and oil and gas development. We don't presume to rival Betty Crocker for time-tested infallibility. In some cases, it is hard to judge whether local responses included in the Appendix were successes or failures, but they can give other local government staff and elected officials an insight into the experience and thinking of their counterparts who have had to confront the reality of offshore oil and gas development.

We have divided the handbook into six parts: (1) a brief introduction to the leasing process and OCS development issues; (2) an OCS Issues Chart, summarizing and stitching together the material presented here; (3) dissection of development issues and recommendations for planning recipes; (4) explanation of policy options open to local governments; (5) recommendations by policy makers involved in the OCS development process for promising courses of action, and (6) the Appendices and Bibliographic references.

The heart of Cooking With Offshore Oil lies in the Appendices. These contain the recipes: the correspondence, resolutions, comments and ordinances local governments have used to respond to OCS development. While we have restricted ourselves to addressing the needs of California local government, experience from other states which has proven relevant has been included.

The handbook contains the most up to date and accurate information we could locate by press time. Of course, people, issues,

policies and circumstances will all change. We believe, however, that the examples of local government response found in the Appendices will remain valuable through Lease Sales 48 and 53, unless unforeseeably drastic changes occur in the lease sale schedule or process.

This book attempts to communicate the experience of a few local agencies to others in California facing the same decisions. We hope your agency will continue this process and share your experience with other local governments.

Exploitation of offshore petroleum began in California long before the first Europeans arrived as coastal natives waterproofed their canoes with tar washed ashore from natural underwater seepages. The world's first commercial offshore oil development began in California in 1896 with wells drilled from piers along the Santa Barbara shoreline.

After the United States Supreme Court decided in the late 1940's that the Federal Government, rather than the state, had jurisdiction over economic development of offshore lands, Congress passed the Submerged Lands Act which granted state control over lands within three miles of the mean high tide line while retaining Federal title over lands farther out to sea. This set the stage for the first California tidelands oil leases in the 1950's. Following procedures established in the Outer Continental Shelf Lands Act of 1953, the Federal Government leased a number of areas between Point Conception and the Oregon border in 1963. When oil companies turned up no commercial discoveries, the leases were abandoned. State tidelands oil field development had been on-going for some time.

Development in southern California Federal waters began in earnest in 1966 and 1967 with leasing of 72 three-mile square tracts in the Santa Barbara Channel. The 1969 Platform A blowout led to a seven year moratorium on further development in the Channel which lasted until 1976 when Exxon Corporation began exploration and platform emplacement on its Santa Ynez unit. The Federal Government had held a 1975 lease sale, known as Outer Continental Shelf Sale Number 35 (OCS 35) which resulted in the lease of 56 southern California tracts stretching from Santa Barbara to Mexico.

The Department of Interior plans two more lease sales for California in the near future, Numbers 48 and 53. The proposed OCS 48 sale will again put southern California tracts on the block in 1979. Early planning has commenced on a central and northern California Lease Sale 53, tentatively scheduled for 1981.

Each lease sale represents an element of an overall national leasing plan which dates back to 1973 when the Nixon Administration proposed an accelerated leasing program as part of its drive to curtail American dependence upon imported oil. After initially affirming their agreement with Nixon plans which called for leasing 10 million offshore acres a year through 1980, the Ford Administration heeded protests from Congress, coastal states, and environmentalists by somewhat stretching out the lease schedule.

Early in the Carter Administration, Interior Secretary Andrus further revised this schedule by delaying some lease sales in environmentally vulnerable and frontier areas, and pledged closer cooperation with states and local governments affected by Federal leasing plans.

Offshore development begins with preliminary selection of tracts for leasing consideration and the commencement of environmental baseline studies, several years before the lease date. Shortly after this, the Interior Department's Bureau of Land Management (BLM) issues a call for nominations to identify those tracts most suitable for leasing. Oil companies, governments, and others may submit positive or negative nominations citing reasons why they favor or oppose leasing specific tracts. For the most part, oil companies submit positive nominations, indicating areas they consider most promising for development, while governments make negative nominations usually based on environmental concerns.

Exceptions have occurred. In responding to a call for nominations for a South Atlantic lease sale, Exxon recommended postponing the sale, calling for leasing more promising areas first.

Sixty to 90 days after the nomination period closes, the BLM and US Geological Survey (USGS) select tracts for further study in a Draft Environmental Study (DES) and may exclude some negatively nominated areas from continued consideration.

As the National Environmental Policy Act (NEPA) defines lease sales as "major Federal actions," the BLM must perform an environmental study on the proposed lease sale. The BLM initially releases its findings in the form of a Draft Environmental Statement (DES). After public comment at one or more open hearings, the BLM releases a Final Environmental Statement (FES). The FES identifies potential environmental problems posed by leasing in an area and aids in developing measures to mitigate adverse impacts.

A lease sale must be announced at least 30 days prior to the sale date. Oil companies submit sealed bids for the tracts they want to lease. The BLM, although generally required to accept the highest bid offered for a tract, may reject a bid that does not accurately reflect an area's true resource potential. Also, large oil companies, as defined in BLM regulations, may not combine to submit joint bids while smaller firms may.

The government also collects rents and royalties on leased tracts in addition to these "bonus" bids. Companies rent tracts for three dollars per acre per year, and pay royalties of not less than 12½ percent of the value of the oil produced. Leases run for five years and are extended as long as production continues.

After the lease award, exploratory drilling begins. Current regulations allow no deep pre-lease drilling except that carried out by the USGS as part of its preliminary resource potential evaluation.

Upon making a commercial discovery, an oil company applies to the BLM to begin development and production operations. As part of this application, the company usually must submit a project Environmental Statement which spells out in detail the facilities the company intends to install and how it intends to carry out its operations. After securing necessary permits, the company installs its facilities during the development phase, after which it begins production of oil and/or gas. When production ceases, the company removes its equipment and allows the leased area to revert to the government.

II. OCS Issues Chart

ISSUE OR IMPACT	SOURCE	LOCAL GOVERNMENT RESPONSE	APPENDIX REFERENCE	BIBLIO-GRAPHICAL REFERENCE
I. Air Pollution	A. Tanker Loading and Unloading	1. Form Joint Industry-Government Pipeline Feasibility Study Group	A-13, A-14, A-15, A-16	B-10, B-17, B-19, B-23, B-24
		2. Permit Conditions for Onshore Marine Terminals	A-17, A-18, A-21, A-22	B-3, B-11, B-17, B-19, B-24
		3. Support State Efforts to Require Vapor Recovery Equipment	--	--
		4. New Source Review Permit Conditions for Onshore Terminals	A-20, A-21, A-22	B-10, B-17, B-19
	B. Offshore storage and Treatment Plants (OS&T)	1. Joint Industry-Government Pipeline Working Group	See I.A.1. above	See I.A.1. above
		2. Comment on DOI Permit Process	A-3, A-4, A-6	B-6, B-12, B-15, B-24
		3. Comment on DES	A-3, A-4, A-11	B-10, B-23
	C. Onshore Processing Plants	1. New Source Review	A-18	See I.A.4. above
		2. Planning Permit Conditions	A-17, A-21, A-22	B-3, B-7, B-10, B-11, B-17, B-19

ISSUE OR IMPACT	SOURCE	LOCAL GOVERNMENT RESPONSE	APPENDIX REFERENCE	BIBLIO-GRAPHICAL REFERENCE
II. Water Pollution Oil Spills	A. Tanker Operations	1. Industry-Government Pipeline Working Group	See I,A,I. above	See I.A.I. above
		2. Onshore Marine Terminal Permit Conditions	A-17, A-18, A-21, A-22	See I,A.2. above
		3. Request Vessel Safety Regulations	A-1, A-2, A-4, A-9	B-12, B-17. B-19, B-23
		4. Comment on Project Proposal to DOI	A-3, A-4, A-5, A-6	See I.B.2. above
	B. Pipelines	1. Review and Comment on Project Proposals	A-3, A-4, A-5, A-6, A-14	See I.B.2. above and B-11, B-24
		2. Local Permit Conditions	See I.A.2. above	See I.C.2. above
		3. Request Design and Engineering Safety Measures	A-6, A-9, A-20	B-10, B-15, B-24
		4. Transportation Working Group	See I.A.1. above	See I.A.1. above
	C. Platforms	1. Review and Comment on Project Proposals	A-3, A-4, A-5, A-6	See I.B.2. above

ISSUE OR IMPACT	SOURCE	LOCAL GOVERNMENT RESPONSE	APPENDIX REFERENCE	BIBLIO-GRAPHICAL REFERENCE
Oil Spills (cont'd)	Platforms (cont'd)	2. Request Lease Stipulations for: -skimmers -Anti-Spill Booms and other equipment -USGS Inspections	A-3, A-4, A-19, A-20	B-10, B-12, B-15, B-17, B-19, B-23, B-24
	D. In General	1. Oil Spill Contingency Plans	A-1	B-17, B-19, B-20, B-21
		2. Oil Spill Cleanup Consortium	--	B-17, B-19
		3. Review and comment on DES and Oil Spill Risk Analysis	A-9, A-10, A-19, A-20	B-14, B-17, B-19, B-23, B-26
Other Water Pollution Toxic Wastes Sewage	E. Drill Cuttings	1. Submit Draft Lease Stipulations, Operating Orders	A-3, A-4, A-20	B-10, B-15, B-23, B-24
	F. Platforms	1. Submit Lease Stipulations, Operating Orders	See II.E.1. above	See II.E.1 above
III. Coastal Land Use Conflicts	A. Onshore Processing, Storage and other Facilities	1. Government-Industry Pipeline Working Group Use	See I.A.1. above	B-3, B-10, B-14, B-17, B-19, B-22, B-23, B-26, B-27, B-29
		2. Local Planning -LCP -Coastal Commission	A-17	B-3, B-10, B-17, B-27

ISSUE OR IMPACT	SOURCE	LOCAL GOVERNMENT RESPONSE	APPENDIX REFERENCE	BIBLIO-GRAPHIC REFERENCE
Coastal Land Use Conflicts (cont'd)	B. Harbor Development	1. Local Planning -LCP -Local Harbor Authority -Coastal Commission	A-17	See III.A.2. above
IV. Socioeconomic Impacts	A. Imported vs. Local Employment	1. Planning Permit Conditions, Ordinances	A-17	B-3, B-4, B-5, B-7, B-8, B-11, B-13, B-16, B-17, B-19, B-25, B-27, B-29
	B. Population Increases	1. Local Planning -Land Use -Schools -Government Service Demand	--	See IV.A.1. above
	C. Taxes	1. Under Proposition 13?	--	See IV.A.1. above, B-31
V. Recreation		1. See "Coastal Land Use Conflicts"	--	See IV.A.2. above
VI. Fishing Industry	A. Bottom Debris, Net Fouling	1. Request Lease Stipulations	See II.A.1. above	B-1, B-9, B-10, B-12, B-15, B-21, B-23, B-24
		2. Fish Gear Compensation Fund	A-1	B-20
		3. Review and Comment on DES and Regional Studies	A-3, A-4, A-8, A-11	B-1, B-4, B-10, B-14, B-17, B-19, B-22, B-23,

III. OCS Issues Affecting Local Government

This chapter briefly summarizes the major issues local officials and staff of California coastal counties, cities, and special districts must respond to in the Federal OCS leasing process and any subsequent development. Each issue is detailed further in the OCS Issues Chart, and is cross-referenced to the Appendices and Bibliography. Local responses to specific issues have been noted and summarized. The chapter begins with the issue of air pollution, which has become the major problem identified by local governments in Lease Sale 48, and may prove a serious issue for Lease Sale 53.

Some of the listed issues may be resolved by pending legislation or ongoing administrative action, such as Local Coastal Plans and Air Quality Maintenance Plans. However, they must be addressed in Environmental Statements on the lease sales and on subsequent specific development plans submitted by the industry. While this chapter is not intended to be exhaustive, it can be used as a check list by local staff and officials reviewing Federal Environmental Statements and their own Local Coastal Plans.

OCS Issue: Air Pollution

Air pollution from OCS development has several sources. Tankers, platforms, processing plants, and pipeline operations all have the potential to adversely affect onshore air quality. Of these pollution sources, however, tanker loading and transport pose the greatest threat of air pollution. Recent legal and technical trends point toward very limited

local government power to control offshore air quality impacts via the Clean Air Act. Santa Barbara County has discovered that Exxon's decision to move its storage and treatment facilities from the onshore Las Flores Canyon site to an Offshore Storage and Treatment facility (OS & T) in Federal waters means that the offshore plant can avoid local New Source Review and California Air Resources Board emission standards. Pipelining the oil to shore for treatment allows local government control over the onshore facilities through Clean Air Act New Source Review Provisions as well as general purpose planning procedures.

Local agencies should examine the Lease Sale DES for information on expected air quality impacts. Regional studies on air quality which feed into the DES should also be reviewed. Another point to give close attention to is the DES' assumptions concerning development scenarios, especially if those scenarios assume tankering while inadequately considering pipeline feasibility. If you find the DES deficient in any of these regards, don't hesitate to bring your concerns to the Interior Department's attention before or during the DES review process.

As development offshore begins to take shape, usually shortly after the lease sale itself, local agencies, especially counties, should begin considering forming a joint government-industry transportation working group to examine pipeline or other transportation alternatives. The next best opportunity for influencing air quality aspects comes in the Interior Department development plan processes. If the project appears to carry unacceptably high air quality impacts, be ready to suggest alternatives to the proposed transportation scenarios.

For oil fields located far away from existing pipelines and refineries, some tankering may be inevitable. The CARB has begun drafting tanker emission regulations to regulate these problems. However, local governments impacted by OCS development should follow emission control technology and enforcement developments.

For more information see Appendices A-d, A-11, A-16, A-18 and Bibliographic references B-10, B-15, B-17, B-19, B-23, B-24.

OCS Issue: Water Pollution

The big water quality worry has traditionally been oil spills. Although the 1969 Santa Barbara spill involved a platform blowout, tankers now pose the greatest oil spill threat both in terms of massive accidents and chronic low level spills due to loading, unloading, ballasting, and hold cleaning. Local government can apply permit conditions to single bouy moors connected to onshore processing plants in addition to the ones that the Interior Department may impose. The best remedy for offshore tanker spills may be pipelines, which are several times safer.

A lease sale EIS should include an oil spill risk analysis Regional Study which should detail oil spill probabilities and expected harmful effects on the environment. In considering tanker impacts, do not overlook hazards posed by increased ship traffic in the development area. This has become an issue in the Santa Barbara Channel and San Pedro Bay where OCS development may conflict with heavily used shipping lanes. Insist on adequate spill containment equipment, spill cleanup organizations, tug boats (for freeing grounded tankers), and liability provisions guaranteeing compensation for loss or damage from oil spills.

Here again, a joint industry-government transportation working group can help steer development more toward pipeline oriented development patterns.

Pipelines themselves do pose some oil spill risk. In assessing project environmental studies examine the pipeline routes for geologic hazards along the right of way. USGS regulations now require burial and coating of pipelines to protect them from structural damage.

As for platforms, stiffer USGS regulations and better inspection have improved their safety record over the years. Platforms now have blowout preventers and anti-spill booms on board. Along with the expected expansion

of OCS operations over the next few years, the USGS inspection staff should also increase to adequately monitor platform activities.

Under the pending OCS Lands Act Amendments of 1978, and the Federal Water Pollution Control Act, the Coast Guard supervises oil spill clean up and prepares an oil spill contingency plan. These plans should reflect changing conditions and take into account new OCS facilities as they become operational. In some areas, oil producers have formed oil spill clean up consortiums, oil industry funded nonprofit corporations. Santa Barbara county has been very critical of the use of these consortiums by the industry to respond to oil spills. Get to know the consortium in your region and insist on witnessing tests of its capability. Present oil spill clean up techniques are not effective under less than perfect weather conditions and calm seas.

Another form of water pollution, disposal of platform wastes and drill cuttings, may harm especially sensitive environments. Lease stipulations now in effect regulate drill cutting disposal in the Tanner-Cortes Banks off San Diego, and may be recommended by local governments elsewhere.

For more information on water quality issues see Appendices A-5, A-7, A-13, A-16 and Bibliographic references B-1, B-9, B-10, B-13, B-14, B-17, B-19, B-23, and B-26.

OCS Issue: Socioeconomic Impacts

The level and kind of offshore development activity largely determines the degree of socioeconomic impacts local jurisdictions will undergo. The size of a community and its existing oil and gas industry will also determine new employment levels and population impacts. Reports prepared to assess the economic impact of OCS Lease Sale 35 upon southern California concluded that effect would be slight owing largely to the area's existing oil labor force and well developed petroleum industry. The same impacts

could significantly affect a much less developed community. Socioeconomic impacts from Lease Sale 48 are projected to be small but noticeable in some counties. Handling the impacts at the local level involves an initial fundamental policy decision as to whether a local jurisdiction wishes to encourage or discourage development. Many areas may view OCS development as a benefit while others may oppose it.

For the effects of individual projects, the Lease Sale DES and companion computer modeling techniques will give an idea of a project's impact. The OPR Economic Practices Manual provides good how-to-do-it guidance in performing economic assessments of almost all types of projects, without using computers, and can be adopted for use in reviewing OCS development projects, especially those occurring onshore.

An issue to consider in anticipating employment revolves around imported employment versus new local hires. OCS oil development remains a specialized, hazardous occupation. Many jobs require special skills and training and outside work crews are frequently imported for specific projects. To increase local employment local planners should consider working with producers to develop training programs as a means of encouraging the hiring of local workers.

Proposition 13 may alter the benefits to local agencies. Local governments never received any direct revenues from OCS development in the first place. What revenues they did collect came from property taxes upon onshore facilities and inventories, and in a few cases, local spending by oil company employees. Recent events have rendered any estimates of future property tax revenues from these sources highly speculative.

For more information see Bibliographic references B-4, B-7, B-8, B-10, B-11, B-13, B-14, B-16, B-19, B-21, B-23, B-25, B-29, and B-31.

OCS Issue: Coastal Land Use Conflicts

Many OCS developments bring conflicts with existing coastal land uses.

Although a completely offshore development scenario will entail no direct demand for coastal land for industrial development, other coastal land uses, such as recreation and tourism, could be adversely affected. Many of the strategies recommended here to reduce adverse air and water pollution impacts require some coastal industrial development, especially those involving a preference of pipelines over tankers. This may impose no hardship on areas with coastal land already zoned for industrial uses. But other areas with no history of coastal industry may find any shore-side development incompatible with their General Plans and Local Coastal Plans.

Development scenarios in the Lease Sale DES should give some idea of coastal zone land requirements to support development. Planning for onshore development in the LCP may be impossible, especially for Lease Sale 53, due to the long lead time involved. For most counties, it may be easier to designate areas unsuitable for OCS or any other kind of industrial development.

Local government may also use the transportation working group as a means for long range planning by undertaking studies of specific sites for various sorts of development.

Generally speaking, areas already accommodating development will have less trouble planning for it than those experiencing it for the first time. State Coastal Commission policy favors use of existing industrial land for future industrial development. With respect to petroleum industry land uses, the Commission recently approved expansion of an oil storage facility in San Luis Obispo County with little controversy, as this involved a continuation of an existing use.

If carefully handled, even preciously undeveloped areas may accommodate development with minimal environmental impact. Santa Barbara County's

handling of the Exxon Las Flores Canyon Processing Plant provides something of a model in terms of what permit conditions can do to ease environmental risks.

Some OCS facilities, such as service bases, may require harbor space. This entails a planning response from the local harbor authority as well as that of a general purpose planning agency.

In addition, the California Coastal Commission retains residual permit authority over major coastal energy facilities, as detailed in Chapter IV.

For further information, see Appendices A-17, A-21, A-22 and Bibliographic references B-3, B-11, B-17, B-19, and B-27.

OCS Issue: Fishing Industry

OCS development can affect the fishing industry in several ways. Oil pollution can taint catches and reduce fish populations, platforms can reduce fishing grounds, and some underwater structures may foul nets. On the other hand, platforms may also serve as navigation aids, provide weather information, and serve as artificial reefs, increasing fish populations.

To respond to this issue, review and comment on relevant portions of the Lease Sale DES with local fishing associations. In reviewing specific development project EIS's, look especially carefully at systems with bottom resting equipment and request that it be buried or shielded to reduce its potential for net snagging.

The pending 1978 OCS Lands Act Amendments provide for a Fisherman's Gear Compensation Fund to reimburse fishermen for equipment damaged by offshore hazards.

For more information see Appendix A-1 and Bibliographic references B-1, B-8, B-9, B-10, B-13, B-17, B-19, B-23, B-25, and B-29.

IV. The Local Role in OCS Development

Federal law grants local governments a variety of opportunities for participation in all phases of the OCS leasing and development process. The OCS Lands Act, the basic law directing Federal offshore mineral leasing programs, specifically requires Interior Department consultation with local officials at virtually all leasing process steps including tract nomination, Regional Studies, drilling and development permit process, and product transportation planning and rulemaking. The Federal Coastal Zone Management Act (CZMA) requires all Federal agencies to conduct their operations affecting shoreline resources so as to be consistent with state and locally approved coastal zone land uses.

Local governments have access to almost all Federal lease planning activities. In the tract nominations step local government may nominate tracts for leasing or withdrawal from sale. In the Regional Studies phase, local agencies may raise issues which merit discussion in the DES, suggest research programs on these issues, and comment on the reports produced. The Interior Department adopts the FES only after a long process involving industry, government, and public comment. The BLM and USGS accept suggestions for regulations, development orders, and lease stipulations. Local agencies may initiate joint government-industry transportation working groups to plan for the most efficient and safe way to transport oil and gas to market. Finally, as producers propose specific development projects, local governments may participate in the Federal permit process.

The balance of this chapter outlines in more detail places and processes where local governments can participate in the OCS leasing and development process.

Tract Selection

In the tract selection phase, the BLM selects tracts from those originally proposed for further study in an EIS. Tracts eliminated at this stage receive no further consideration for leasing in the current lease sale. BLM makes its initial tract selection by studying tract nominations submitted by governments, citizens, and industry. Tract nominators may recommend for or against leasing particular tracts. Industry has traditionally recommended tracts for leasing based on their estimates of petroleum resource potential, while governments and others have recommended against tracts based on environmental concerns. Sometimes exceptions occur. In responding to a call for nominations for an area in the South Atlantic, Exxon Corporation made a negative nomination, citing the region's poor resource potential. Tract selection for Lease Sale 48 has taken place, and the nomination stage of Lease Sale 53 is over, although tracts will not be selected until September 1978. After receiving the nominations, BLM holds meetings to discuss the nominations with interested parties. Although BLM does not directly invite local government officials to these meetings, the California Coastal Commission staff informs local governments of the meetings. Local government then retains the option of sending representatives to these tract selection meetings. Contact Mari Collins at the California Coastal Commission in San Francisco, California's lead agency for articulating State OCS policy.

For more information see Appendix A-3, A-4, A-7 and Bibliographic references B-12, and B-21.

Regional Studies

Intended as a replacement for the Baseline Studies Program, Regional Studies intend to provide much more specific information on topics directly related to OCS resource management decisions. BLM divides these studies into two categories: studies pertaining to national concerns; and studies

affecting more closely prescribed areas, such as a lease sale territory. BLM welcomes local government suggestions for Regional Studies. Contact Dr. Don Keene, at the BLM Pacific Outer Continental Shelf (POCS) Office in Los Angeles.

The Interior Department uses these studies to make many of the policy decisions involved in OCS leasing. The studies also feed into the DES. In making a request for a study, an agency should clearly identify the issue that requires exploration, explain how OCS development might affect the issue, and suggest specific questions that the study should address. The study request can include a suggested study research methodology. Some requests have included a list of recommended consultants to carry out the study.

Local governments may comment on the results of the study and, if necessary, request new studies to focus on questions unsatisfactorily addressed in the original report.

For further information, see Bibliographic references B-6, B-12, B-14, B-22, B-26, B-28, and B-29 and Appendices A-8, A-9, A-10.

DOI Working Relationship

Establishing an ongoing working relationship with the Interior Department will magnify the influence of local government on the OCS lease and development process. The BLM administers most pre-lease activities including tract nomination, Regional Studies, and FES preparation. During this phase, USGS provides technical assistance within its sphere of expertise, generating reports on geology, petroleum resource potential and oil spills. After the actual lease sale, USGS assumes primary responsibility for regulating OCS activities, looking after almost everything from day-to-day platform operations to issuing drilling permits.

William Grant heads the BLM Pacific Outer Continental Shelf Office. This office, located in Los Angeles, oversees all BLM OCS activities on the West Coast.

The Interior Department has posted Peter Tweedt in Los Angeles as the Secretary's Western Regional Representative, performing in a quasi-ombudsman role regarding the Department's programs here. In Washington, the Interior Secretary for Policy, Budget, and Administration looks after OCS mineral leasing policy. Acting Assistant Secretary for Policy, Budget, and Administration looks after OCS mineral leasing policy. Acting Assistant Secretary Larry Meierotto, currently holds this position. Also, Chuck Eddy, Assistant Secretary for Minerals, Fuels, and Energy, gets involved in OCS issues.

Correspondence regarding Pacific OCS activities should go directly to Pacific OCS Office Manager William Grant and Department Representative Tweedt. Refer questions involving Washington to BLM Director Frank Gregg and Acting Assistant Secretary Meierotto. Matters of grave importance may go to Interior Secretary Cecil Andrus. An alternative contact to the Office of the Secretary is Ray Karam, DOI OCS Coordinator.

Communications directed to USGS should go to Maurice Adams who heads up their Los Angeles Office.

For more information see Appendices A-2, A-9, A-10, A-12, and Bibliographic references B-6, and B-12.

Reviewing the PDES

The Pacific Outer Continental Shelf (POCS) Office of the BLM, has instituted a new procedure with Lease Sale 48: circulation of a Preliminary Draft Environmental Statement (PDES). This provides local and state agencies with an advance look at the Draft Environmental Statement on a lease sale and an opportunity to recommend changes and additions. State and local agencies may also submit draft sections of the PDES to the BLM for consideration for inclusion in the DES.

Comments on the PDES may be informal, staff-to-staff, or formal resolutions and letters. Response to informal staff comments and section drafts is usually by phone. The BLM will respond in writing to formal comments.

Local governments wishing to review the PDES, which may range up to 3,000 pages, must specifically request a copy from the POCS Office of the BLM. Back-up reports and studies should also be requested if they are available. Occasionally, it may be necessary to ask for the consultant's work statements to determine the assumptions used in various sections. Reviewers should carefully check:

1. assumptions, particularly of transportation scenarios
2. technical accuracy of model inputs
3. description of impacts on local, as opposed to regional areas

A line-by-line review is most useful at the PDES stage. Coordinate PDES review with state and other local agencies, possibly with a division of labor. For an example of review of the PDES for Sale 48, see Appendix A-11.

Regulations, Operating Orders, and Lease Stipulations

The OCS Lands Act grants the Interior Department broad authority to develop rules and regulations to manage OCS development. In carrying out this function, the Interior Department has developed several layers of regulation. BLM Regulations apply nationwide and address basic lease procedures including leasing and bid practice, and pipeline right of way jurisdiction.

OCS Operating Orders apply regionally. The Pacific Coast Orders, which control activities offshore California, concern marking fixed structures, drilling procedures, well completion and abandonment, waste disposal, platform installation, pipeline laying and safety, and public access to records. Local officials may propose new Orders at any time to the Interior Department. Some new rules, however, may not apply to already ongoing operations as they may affect a producer's vested rights.

Lease stipulations control activities within a single leasing area. They may apply to all operators in the area, or to a single tract. Lease stipulations in force in all or part of the Lease 35 area off Southern California regulate pollution control equipment, disturbance of archeological sites, drill cuttings disposal in the Tanner-Cortes Banks, and certain activities in military weapons testing areas.

Although agencies may propose new stipulations whenever necessary, the DES affords a particularly good opportunity to review and comment on stipulations proposed for a lease area. Local government may also review lessee's conduct by participating in review of drilling and other Federal OCS permits.

From time to time, BLM and USGS may revise their various rules in the form of Notices to Lessee's (NTL). Local agencies may recommend NTL's at any time.

For examples of Regulations, Orders, and Lease stipulations imposed for Lease Sale 35, see Appendices A-4, A-5, A-6, A-19, A-20 and Bibliographic references, B-6, B-10, B-12, B-15, B-24.

Transportation Working Groups

Local agencies may initiate joint government-industry transportation working groups. These working groups study ways to maximize efficiency and minimize adverse environmental effects of transporting OCS production to market. A carefully coordinated transportation strategy can reduce expensive facility duplication and environmentally hazardous tanker traffic.

The first, and presently the only, transportation working group was formed in Santa Barbara when local planners and other government officials, including those from Ventura County, the state, and the Federal government, joined with industry representatives to discuss the feasibility of various means of transporting OCS oil out of the Santa Barbara Channel area.

The group has concentrated on several pipeline options to move the area's oil production to refineries while minimizing the use of tankers, which entail greater air pollution, oil spills, and collision risks than do pipelines.

By gaining industry and government cooperation for the pipeline project, Santa Barbara hopes to encourage the industry to consolidate some of their operations, thereby increasing efficiency and reducing environmental risks.

The Interior Department has considered incorporating transportation working groups into its formal lease process, but has delayed this until they can work out a format and resolve questions regarding the idea's applicability to all regions in the country.

For more information see Bibliographic references B-6, B-10, B-11, B-17, B-19, B-21, and B-29. Also see Appendices A-13, A-14, A-15 and A-16.

Consolidation and Unitization

Consolidation and unitization are two techniques developed to reduce the impacts of OCS oil development on coastal land use and offshore waters.

"Unitization refers to the practice of joining several contiguous tracts together in a single operating "unit" so they can be developed jointly. The assumption upon which unitization is based is that oil reservoirs may extend throughout several tracts and can be most efficiently developed by a single platform (depending upon the size of the unit and the reservoir), instead of a separate platform in each tract.

"Consolidation" involves requiring offshore operators to consolidate their onshore operations, particularly processing plants. This avoids a proliferation of small storage and treatment facilities on the coast. California Coastal Commission Policy requires consolidation where feasible. Problems with consolidation arise when impacts are concentrated at one location, especially air pollution. Operators may object to consolidation on the basis of anti-trust regulations, differences in oil coming from different tracts, scheduling of use and accounting problems.

Local governments can encourage unitization by recommending lease stipulations, through comments on DES and on development plans, and by request for unitization directed at the USGS Oil and Gas Supervisor. There is no state or local direct control over unitization.

Consolidation is subject to state and local influence and regulation. Local government can require consolidation in their LCP's and in permit conditions. Local governments faced with the prospect of onshore processing plants should work with the operators and the Coastal Commission staff to prevent a deterioration of consolidation policy by piecemeal applications for separate plants. Santa Barbara County's experience here can be helpful. See Appendices A-16 and A-20 and Bibliographic references B-3, B-17, B-19 and B-27.

Interior Department Permit Process

The USGS bears responsibility for permitting OCS exploration and development activities after the lease sale. To begin exploring a leased tract, the lessee must first submit an Exploration Plan to the USGS Area Supervisor having jurisdiction over the leasing area. The Supervisor must submit an advance copy of the Plan to all affected coastal states for their comments. States have ten days to raise objections to the Plan. If states raise objections, the Supervisor must try to resolve the problems before formally releasing the Plan. Upon release, states, local governments, and the public have 30 days to comment on the Plan and accompanying Environmental Impact Study. Any time after the 30 days, the Supervisor may act to approve or disapprove the Plan, taking special care that it is consistent with a state's Coastal Zone Management Plan as established under terms of the US Coastal Zone Management Act. After Exploration Plan approval, each individual exploratory well must receive the Supervisor's approval before drilling.

The Development Plan approval process works in much the same way except that the USGS Supervisor may not approve the Plan for 60 days after its release.

Due to the short lead times involved, local governments should contact the USGS well before lessees propose Exploration and Development Plans, so that agencies receive them in plenty of time to make informed comments. In commenting on Development Plans, look especially carefully at those parts of the Plan which have the greatest potential for environmental damage including product transportation, processing arrangements, and pipeline alignments.

For more information, see Appendices A-3, A-4, A-5, A-6, and Bibliographic references B-6, B-10, B-12, B-15, B-21, and B-24.

Local Permit Process

While OCS operations in Federal waters lie beyond the regulatory reach of local governments, many on and nearshore projects fall under the jurisdiction of local planning officials. Facilities in this category may include service bases, oil and gas processing plants, marine terminals, storage facilities, and pipelines.

The first planning hurdle onshore OCS facilities face is consistency with a jurisdiction's General Plan. With implementation of the California Coastal Act over the next few years, this will increasingly mean consistency with Local Coastal Plans (LCP'S).

Santa Barbara County employs its planning permit process not only as an opportunity to approve or disapprove a project, but as a co-management tool by attaching conditions to the development permits to manage the project in the public interest. In permitting a processing plant, the County and Exxon agreed to 92 separate permit conditions to reduce the facility's environmental impact. In another rather pioneering move, Santa Barbara County approved expansion of Arco's Elwood processing

facility subject to improving technology, allowing gradual increase in the plant's capacity as the company installed more advanced pollution control systems.

The issuance of permits for onshore projects can profoundly affect offshore operations. The Coastal Commission's permit denial for the Exxon Las Flores facility led to the plant's construction in Federal waters subject to far fewer environmental controls than in effect onshore.

Until a local government's LCP becomes official, the regional Coastal Commission will also exercise joint permit authority over coastal development projects. After LCP's go into effect, the Regional Commissions disband, leaving local agencies with full permit authority. The State Coastal Commission, however, will retain appeal rights over major energy facilities, including those intended to support OCS production.

Appendices for this section include A-17, relevant sections of Santa Barbara and Ventura County planning ordinances; A-21, the 92 conditions applied to the Exxon Las Flores project; and A-22, the technology-tied permit conditions imposed on the Arco Elwood expansion project.

For further information see Bibliographic references B-3, B-10, B-17, B-19, B-27, and B-31.

Marine Sanctuary

Local agencies may request designation of a Marine Sanctuary off their shores. Title III of the Federal Marine Protection, Research and Sanctuaries Act authorizes the establishment of Marine Sanctuaries

to protect ocean areas with high recreational, esthetic, species, habitat, unique, and research values. The administrator of the program, the Commerce Department's Office of Ocean Management, within the National Oceanic and Atmospheric Administration (NOAA), emphasizes that the program is not a broad spectrum fisheries resource management effort, nor will designation of a Marine Sanctuary in itself prevent OCS oil and gas development.

Marine Sanctuaries are reserved for areas of special significance and regulated according to their values and needs. Establishment of a Marine Sanctuary will subject all activities within the designated area to rules and regulations designed to protect the Sanctuary. A number of agencies in California, including San Diego Comprehensive Planning Organization (CPO), Santa Barbara County, Sonoma County, and the US National Park Service, have taken various degrees of action towards proposing a Marine Sanctuary in areas of interest to them.

More information on the program appears in Appendices A-23, and A-24.

V. The San Diego Experience: An Intergovernmental Response Model

By Art Letter

Director, Intergovernmental Relations
Comprehensive Planning Organization

Introduction

During the summer of 1976, San Diego's local governments and private citizen groups were faced with the question of how to protect and balance important local interests with oil and gas development outside the three mile limit. The United States Government was proceeding full speed ahead with plans to develop fossil fuel resources in the Outer Continental Shelf. Local and state agencies felt their objections to the lease sale were being ignored. The message appeared to be clear: find the oil and gas and produce it as quickly as possible regardless of local opinion.

The question for San Diego's local governments was clear: What could we do to protect our legitimate economic and en-

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*Art Letter served for 5½ years as Director of Intergovernmental Relations of the Comprehensive Planning Organization of San Diego Region. He had prime responsibility for OCS and Marine Sanctuary issues.

vironmental concerns without appearing "un-American" about the national interest. My bias will be obvious: to protect local interests in an arena which heretofore has been dominated by federal and private oil and gas company decisions.

The apparent rejection of official local government positions by federal officials during the course of Lease Sale #35 is a matter of documented history. A San Diego County Board of Supervisors' memo dated August 11, 1976 expresses this:

> On 11-13-74(16) your Board adopted a resolution opposing the then-proposed offshore oil lease sale based on (1) the lack of a national energy policy, (2) the pending status of a coastal plan for California, and (3) the insufficiency of environmental safeguards. Since the passage of that resolution, despite your Board's continual expressions of opposition [1-21-75(6); 9-16-75(59); 11-4-75(112); 11-19-75(6)] the first lease sale occurred on December 11, 1975. Now, according to a notice in the Federal Register (July 6, 1976) a second lease sale is commencing with a Department of Interior request for comments on identifying tracts suitable for another lease sale. Comments on the second leasing program will be accepted through September 7, 1976.
>
> The conditions on which your Board opposed the first lease sale in November, 1974, remain unchanged. However, the litigation opposing the first lease sale (Kleppe v. Southern California Association of Governments, et. al.) did not prevent the sale. It is important to assure that any future lease sales exclude those tracts which are particularly sensitive for environmental protection, the fishing industry, navigational fairways, and recreational uses.

The Board's memo speaks for itself, but is really just a small expression of the frustration that occurred locally during and after Lease Sale #35. An article which appeared in the California Journal, April, 1978 described the situation well:

Members of the regional Southern California Council of Local Governments, as it was called, believed that by banding together they could deal more effectively with what some industry and government critics called "the natural collusion" between government agencies and the oil companies. Environmental impact statements, oil opponents maintained, were mere formalities designed to bury public outcry under a mountain of paperwork.

The council began meeting during the summer of 1974. The city of Los Angeles, under the direction of Mayor Tom Bradley, first funded the group with $15,000 for a study of federal documents to be filed on the leasing program. Another 12 cities and counties contributed to the council, and some 40 communities sent representatives to the sessions. The council was very informal--so much so that several cities wishing to make contributions were unable to do so because they couldn't determine who was keeping the books.

While Los Angeles was the moving force behind the council, its motives were hardly selfless. The city was primarily determined to fend off proposed drilling in Santa Monica Bay. When the Interior Department removed Santa Monica Bay from the list of potential drilling sites, the Los Angeles City Council refused to allow the city to participate further in the council. It then, in effect, folded. To this day, many local administrators from other cities remain bitter. "The federal government took out Santa Monica Bay to appease the Los Angeles City Council," says Al Reynolds, head of Santa Barbara County's environmental quality division. "As soon as the problems in their own backyard were defused, they pulled out."

The united front of local governments established to fight Lease Sale #35 did not endure its own infighting. After the council's lawsuit to halt the project failed in federal court, appeals were dropped for lack of funding. "The bottom line," Reynolds says now, "is whether you win or lose. We lost."

Lease Sale #35 was held in December of 1975 and resulted in the leasing occurring in 29 three-by-three square mile

tracts in the Tanner Cortes Banks approximately 100 miles west of San Diego County. (See Figure 1). Exploratory operations have been conducted since that time in five tracts. The information we have is that seven wells have been drilled and in each case the well has been dry.

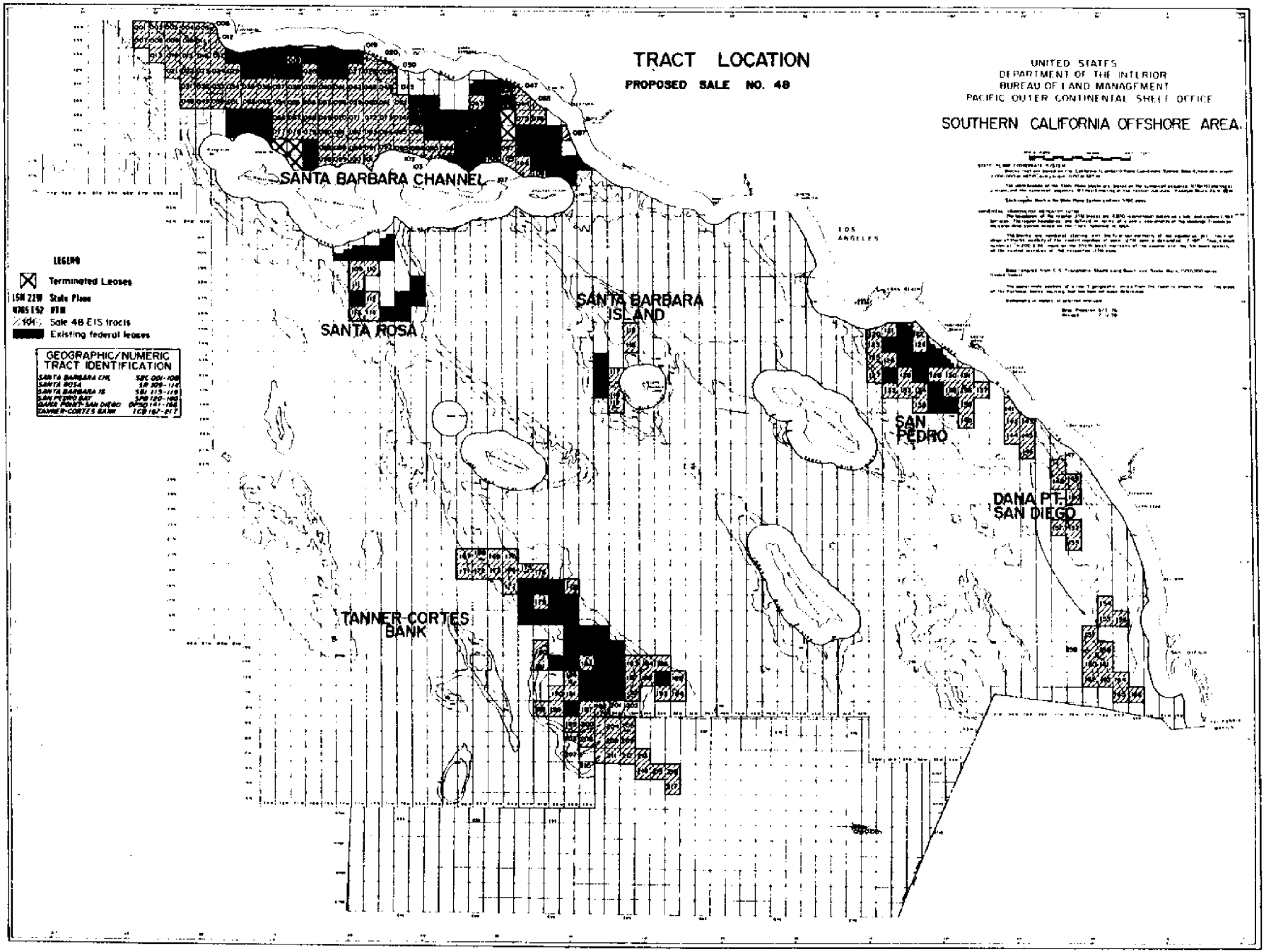
Lease Sale #53:

The Executive Director of the Association of Monterey Bay Area Governments (AMBAG) referred to the Federal OCS Lease Sale 53 as "It's like fighting a big air bag." This is a perfect expression of a realistic perspective on San Diego's experience. While the local/federal government dialogue has changed for the better in the past 2½ years, in some ways very dramatically, we still do not know whether the final decision process has changed at all. Lease Sale #48, which has brought with it a much more open local/federal communication process, will not be completed until June of 1979. Until the final decisions are made on Lease Sale #48 we will not know how successful the bottom line of all this local activity has been. We will not know for sure whether we have added more air or less air to the federal air bag until June of 1979.

San Diego's Four Part Strategy

In the summer of 1976, a small group made up of elected government officials, representatives of private interest groups, and staff persons from knowledgeable local government organizations formulated a four part local strategy for effectively dealing with Lease Sale #48. The strategy was

FIGURE 1


TRACT LOCATION
PROPOSED SALE NO. 48
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
PACIFIC OUTER CONTINENTAL SHELF OFFICE
SOUTHERN CALIFORNIA OFFSHORE AREA
SANTA BARBARA CHANNEL
SANTA ROSA
SANTA BARBARA ISLAND
SAN PEDRO
DANA PT.
SAN DIEGO
TANNER-CORTES BANK
LOS ANGELES
LEGEND
Terminated Leases
Sale 48 EIS tracts
Existing federal leases
GEOGRAPHIC/NUMERIC TRACT IDENTIFICATION

developed and is still developing, more through the proxy of many San Diego individuals rather than the dominant actions of just a few. However, this small group, by their involvement and commitment did bring the strategy into focus. A newspaper article which appeared in the San Diego Union April 28, 1977 was headlined: "United Opposition Urged to Offshore Oil Leases." The message appears to be clear, San Diego's strategy is to prohibit oil and gas leasing. However, the message is incorrect. The correct message has been and is: We need to organize and present a clear cut and well documented local game plan to the federal government in order to protect and balance our local interests against the federal juggernaut. That will continue to be the message through the Environmental Impact Statement, the Public Hearing, the Program Decision Document, the Notice of Sale and the Final Sale Steps of Lease Sale #48.

The four parts to the San Diego strategy are: (1) coordinate local government staff actions; (2) establish a citizen action organization; (3) get local, state and federal elected officials directly involved; and (4) establish a strong and well documented basis for legal action if that becomes necessary.

(1) Local Government, The Technical Response

As the state begins to respond to Lease Sale #53, there are a wide variety of local governmental organizations who have interest in some or all aspects of the lease sale. These include:

1) Counties

2) Cities

3) Air Pollution Control Districts

4) Coastal Commissions

5) Councils of Government

The important precedent is that each region must establish a lead local government agency that will commit the time and effort to work directly with the federal government during each step of the lease sale program. For Lease Sale #48 the lead agency in San Diego is the Comprehensive Planning Organization (CPO), the Council of Governments. In Santa Barbara, the County Government is the local lead agency for Lease Sale #48. It does not really matter which of the above agencies takes the lead, just as long as one is established, is recognized by the others and makes the necessary two to three year commitment.

As an example of what you may be faced with during Lease Sale #53, I refer you to the Preliminary Environmental Impact Statement for Lease Sale #48. Part of the agreement reached by federal, state and local governments at the beginning of Lease Sale #48 was to open up the process through the early exchange of technical information. Local agencies will quickly find that this open communication process can be both a benefit and a burden. It's a burden if it is not. The Preliminary DES for Lease Sale #48 is approximately 3000 pages in length. When the Department of the Interior releases this information there is usually a one-month response time for local government. Local governments usually have 30 to 60 days

to respond to the DES. The job of responding is enormous if a community wishes to do it effectively. The amount of technical baseline information in the EIS is overwhelming. Cooperation at the local level is vital for effective response. One local agency should lead and be responsible for dividing the work, gathering up the technical responses and finally submitting those to the federal government.

Another supporting tool we have found effective at CPO is setting up a technical advisory committee. The OCS Ad Hoc Advisory Committee in San Diego consists of representatives from many and varied technical backgrounds. Their efforts have helped tremendously in formulating our local responses. Involved in their technical research group are:

1) San Diego's Universities
2) Ocean and Coastal Scientists
3) Chambers of Commerce
4) Energy Organizations
5) Geologists
6) Environmental Protection Groups
7) Fishing Industry Organizations
8) Oil Industry Organizations
9) Community Planning Groups
10) Convention, Visitor and Tourist Organizations

Local government will do well to organize for the vast amount of information to be obtained.

Two final points about organizing, which local government will find, are important. First, work closely with and coordi-

nate all responses with the State of California. San Diego has found the State Office of Planning and Research OCS Task Force invaluable in their efforts to develop high quality technical information, support our local efforts through funding and other technical assistance and support, and make more effective our local responses through official state responses to the federal government. Now that the state's responsibility for this subject has shifted to the State Coastal Commission, local government should establish a close working relationship with the Commission staff, especially Mari Collins. This is not to say that the local responses will always be the same as the state's; many times they are quite different. Local government will find, however, that in most cases its response will be very close to the state's. The job is to keep the state and local government working closely together. This substantially strengthens local ability to impact the federal leasing program.

Second, work together among regions. Lease Sale #53 stretches from Northern Santa Barbara County to California-Oregon border, involving many separate and distinct physical regions. Our experience with Lease Sale #48 has been that best results come from sharing information, local strategies and positions with the Santa Barbara, Orange and Los Angeles regions.

(2) COOL: Concern for Offshore Oil Leasing: The Citizen Response

COOL is a citizen action group lead by prominent persons in the San Diego area. Its Board of

Directors includes elected officials, leading business persons, attorneys, environmentalists and other community leaders. The group to date has been very effective in supporting our local government positions. Among its accomplishments are:

1) Gathering of 12,000 citizen signatures opposing near shore oil drilling

2) A public awareness campaign about Lease Sale #48 which includes a very effective 10 minute sound and slide show

3) Community parties and fund raisers which support the group, raise awareness and bring the message directly to our many coastal neighborhoods

4) Newspaper, T.V. and radio show coverage and contacts which have shown the citizen side of the OCS oil and gas development subject.

Between now and June of 1979, COOL is planning a major rock concert built around their theme, several kinds of innovative public information and consciousness raising projects, and a strong and well organized response to the federal government at the public hearing and program decision phases of Lease Sale #48. Santa Barbara has a citizen group called GOO: Get Oil Out. I'm sure there are others which are organizing in Southern California. The point is, local officials can generate (or follow) this kind of organized citizen support to back up its positions on Lease Sale #53. These groups are fun, creative, raise the local social conscience and perhaps most important, take a dry and difficult to communicate subject and translate it into local actions everyone can understand. There are no limits to what citizen groups can do. COOL was helpful in organizing and staging an OCS Workshop at one of our San Diego University campuses which included a space satellite

transmission between Washington and San Diego. By using the satellite we were able to have direct policy statements, questions and answers between a federal official sitting in Washington and local persons in a campus hall in San Diego. The experiment was quite successful and we hope to repeat it again before June of 1979.

(3) Elected Officials Get Involved: The Policy Response

An important point is not to use staff to lead your local response to Lease Sale #53. Each step of the way in the lease sale, local government elected officials should take official positions. The stakes are very high in this decision-making arena which requires direct involvement by Councilpersons, Supervisors, state and federal legislators early and often during the sale process. There are substantial benefits to be gained. Elected people have high media visibility. A substantial side effect here is top quality media coverage for local positions. The two year lease sale process is long and tedious during which the public can easily tire and become apathetic. Keeping the citizen interest up through direct elected official participation is important.

The second major benefit is the lobbying ability and status of local elected officials. Influencing decisions on a lease sale in many ways is a lobbying effort between local, state and federal officials. Since Cecil Andrus took over as Interior Secretary in 1977, the federal policy has been to listen to responsible state and local government points of view. Lobbying efforts by elected people therefore become

extremely important. Recently one of our Supervisors appeared before the House Sub-committee hearing on OCS Land Act Amendments. His appearance was very helpful towards solidifying local amendments to the OCS Lands Act. Other examples of San Diego legislators lobbying for local understanding in Washington and Sacramento are too numerous to detail.

(4) Going to Court: The Legal Response

Right from the beginning in the development of this four part strategy it was understood that the legal challenge would only be used as a last resort. Going through the courts is costly, time consuming, difficult to justify except in the most negative sense, and, in the past on this issue, has been very frustrating. However, if the positive and cooperative approach towards enlightened local interest decisions does not work, then the legal challenge becomes the final strategy. At the point legal action is instituted, it also becomes a local agency's most important local strategy. By that time every positive local option is exhausted and local government must rely on the courts to reverse a federal government decision. What is critical here is that local legal challenges must be successful. All previous state and local legal challenges to lease sales have either lost or are in the process of losing through various federal court appeals procedures. The question

becomes what can be done to develop a "successful" legal challenge.

Here's what San Diego has done which we believe will be successful if a court challenge becomes necessary. First, we've involved the attorneys right at the beginning of Lease Sale #48. This includes County Counsel, City Attorneys, private law firms and public interest lawyers. Next, we've established a central file where all correspondence, background materials, reports, documentation of positions and responses are being kept, analyzed and catalogued. Finally, we've corresponded each step of the way with the Department of the Interior, letting them know about the local concerns; first in a general sense, then more specifically and in more detail as we have proceeded. We've repeatedly pointed out Lease Sale #48 technical and policy deficiencies and asked for specific responses on each point. We have received responses in most instances which we have kept, analyzed and cataloged. We will continue to do this for each remaining step in the sale, namely the draft EIS, public hearings, final EIS, program decision document, notice of sale and finally the sale itself. This time, if we go to court, we are convinced we will win if the final sale decisions do not adequately take into account our local concerns. Other local governments would do well to follow such strict and rigorous procedures.

(5) Capacity Building for the Oil and Gas Subject

The substance of OCS leasing is huge, complicated, difficult to communicate and even more difficult to contain. OCS

development affects many varied topics of the day and is affected by them. National Energy Policy, management of our ocean's resources, oil spill clean up technology and capability, national defense, air pollution control, national economic and self-sufficiency and Rare and Endangered ocean and coastal species and habitats are just some of the major topics encompassed.

(6) Resource Estimates: Much To Do About Nothing

The subject of resource estimates is like a "crystal ball" science. Right from the start of Lease Sale #48 the CPO Board of Directors insisted upon the most accurate federal resource information possible so that the potential of oil and gas could be measured against the potential negative local economic and environmental impacts. Much of San Diego is a coastal resort and tourist oriented region that depends heavily on a clean environment to support its economy. An oil spill of the magnitude of the Santa Barbara spill of 1969 would have a major impact on our clean tourist oriented economy and our sensitive coastal habitats. Balanced against this potential local disaster we wanted to know what the best guess was about how much oil and gas could possibly be found off our coast. After much negotiation it was agreed that USGS resource estimates would be made available by sub-region in each Lease Sale #48 area from Santa Barbara south to the U.S.-Mexican International Border. When these estimates became available we found out some very interesting things. The federal oil estimate for 26 tracts located from 3 to 18 miles off the Orange

and San Diego County coastlines from Dana Point to Imperial Beach was 25 million barrels. The gas resource estimate for the same area was 38 billion cubic feet. Using some rather conservative United States and California oil and gas consumption rates, we computed this to equal about 36 hours of U.S. oil consumption and 25 days of California oil consumption, and 15 hours of U.S. gas consumption and 6 days of California gas consumption. (See Figure #2). What we found out was for 26 three-by-three square mile tracts of ocean the federal government was considering for sale, we had "much to do about nothing." The simple conclusion was that given the heavy potential negative impact that exploration and development of such a small national resource, close in to the shoreline of San Diego and Orange Counties, could have on our local economics and coastal environment, it just does not make sense to sell leases in those 26 tracts. Whatever resource exists in the 26 tracts is better left as is at the ocean's bottom. It's a plain, common sense conclusion. The point is that prior to the Lease Sale #48, we did not have information available to reach this kind of conclusion.

Local government must press, probe, initiate, and insist upon the highest quality information available from all sources so that you can begin to manage and understand the subject from both a national and local perspective.

(7) Marine Sanctuary: A Promising Federal and Local Approach

In San Diego we found the Marine Sanctuary Program, now being encouraged by the Department of Commerce, as the best

FIGURE 2
LEASE SALE NO. 48

SAN DIEGO OFF-SHORE OIL AND GAS ESTIMATE CONVERTED TO CALIFORNIA AND U.S. CONSUMPTION EQUIVALENTS

	OIL (Million Barrels)		GAS (Billion Cubic Feet)	
	BLM Estimate	Equivalent Consumption	BLM Estimate	Equivalent Consumption
Dana Pt./San Diego (26 Tracts)	25	25 days – Calif.* 36 hours – U.S.	38	6.3 days – Calif. 15.2 hours – U.S.
Tanner - Cortez (49 Tracts)	285	285 days – Calif. 16 days – U.S.	427	71.0 days – Calif. 6.8 days – U.S.

Consumption Rates:

OIL
U.S. – 17 Million barrels/day, 1973
CA – 1 Million barrels/day, 1975

GAS
U.S. – 62 Billion cubic feet/day, 1973
CA – 6.05 Billion cubic feet/day, 1975

*Equivalents are approximate due to rounding.

CONSUMPTION RATES SOURCES:

California – California Energy Trends and Choices. Vol. I, 1977; pages 15 & 18.

United States – Exploring Energy Choices: A Preliminary Report. Ford Foundation; 1974; page 132.

source for the positive local response. In a Nomination Document submitted to the Office of Ocean Management in the Department of Commerce, we begin to detail the marine habitats, species, recreation and aesthetics, uniqueness and research needs of a 7400 square mile area of the Southern California Bight.

The Marine Sanctuary Program is precisely the kind of tool that can put OCS oil and gas exploration and development into context. If developed properly it could provide federal dollars to support local research efforts. One possible funding source is the Coastal Energy Impact Program (CEIP) which may be used in conjunction with a developing Marine Sanctuary program. We believe that part of the intent of the two federal programs proceeding simultaneously, as they are now, is to provide a balance in helping to arrive at the best possible Outer Continental Shelf decisions. In San Diego we are trying to use this dual and parallel approach to its maximum advantage by cooperatively working with the federal government so that decisions on OCS development and Marine Sanctuaries can be made at roughly the same time. (See Fugure 3).

San Diego will complete three more technical documents, to be completed shortly, that will be of interest. These are the OCS Early Action reports and the separate technical reports on OCS air pollution and onshore facilities impacts. This information, which is both technical and policy oriented, is available to local agencies to formulate positions and responses to Lease Sale #53. What we've learned in Lease Sale #48 about

FIGURE 3

OCS LEASE SALE NO. 48	DATE	MARINE SANCTUARY
Preparation of Draft EIS by Dept. of Interior	Sept. '77	● *Application for Funds to Prepare Nomination Document*
	April '78	● *Initial Nomination Document submitted by CPO*
		Local, State & Federal Review of Sanctuary Proposal, Development of Detailed Regulations and Draft EIS.
Draft EIS Released for Review and Comment (A-95) ●	August '78	● *Marine Sanctuary Proposal and Draft EIS Released*
Public Hearings on Draft EIS ●	October '78	● *Public Hearings on Draft EIS*
Final EIS Released ●	January '79	● *Final EIS Released*
		● *Local, State & Federal Action on Marine Sanctuary Designation.*
Proposed Notice of Sale ●	March '79	
Bidding and Sale ●	June '79	

local responses can be baseline local studies for what lies ahead in further developing and defining the Intergovernmental Response Model for Lease Sale #53.

VI. Appendices

FEDERAL LEGISLATION PERTAINING TO

OCS OIL AND GAS DEVELOPMENT

I. Outer Continental Shelf Lands Act of 1953, 43 US Code 1331-1343. This law establishes Federal jurisdiction beyond the three mile limit, and grants the Secretary of Interior authority to lease Federal submerged lands. The act also provides guidelines for leasing policies and procedures. It also assigns the Coast Guard the responsiblity to regulate the safety of offshore structures, and gives the Coast Guard and Army Corps of Engineers authority to regulate navigation.

Congress is currently considering major amendments to the 1953 act, in essence a full scale revision of it. Now pending before a conference committee, the amendments for the most part, elevate into law many of the administrative procedures now followed by the government in leasing OCS lands. Recognizing the high liklihood of the Amendments' enactment, the Department of Interior already conducts itself as near as possible in compliance with the amendments. This is especially true in the case of the OCS 53 lease sale. In additon to changes in lease sale policies, the amendments:

- Spell out procedures to be followed in the case of oil spills.
- Establishes oil spill compensation and clean up funds.
- Assigns legal liability for spills and prescribes liability limits.
- Provides for a fisherman's gear compensation fund.
- Makes available planning grants to states affected by OCS development.

The main differences between Senate and House versions of the bill the conference committee will attempt to resolve include:

- The use of new bidding systems besides the traditional "cash bonus" system.
- The use of new leasing systems (dual and two-tiered leasing).
- A possible federal role in exploration.
- The Santa Barbara Channel's status as a "frontier area," eligible for enhanced environmental safeguards.

II. Coastal Zone Management Act, 16 US Code 1451-1464. This law provides grants to states to assist them in coastal planning and management programs. It also calls for all Federal actions impacting on states' coastal zones to be consistent with Commerce Department approved state coastal plans. 1976 ammendments to the act established the Coastal Energy Impact Program (CEIP) to provide grants to states and local jurisdictions affected by coastal dependent energy development.

III. Submerged Lands Act, 43 US Code 1301-1315. The Submerged Lands Act grants states control of submerged lands within the three mile limit except for defense and international relations purposes.

IV. National Environmental Policy Act of 1969 (NEPA) 42 US Code 4321-4341. Requires environmental impact statements on all major federal actions affecting the environment, including OCS lease sales and specific projects occurring within lease sale areas.

VI. Clean Air Act Amendments of 1977, 42 US Code 1857-1857F. The Clean Air Act establishes national ambient air quality standards and requires states to develop implementation plans to meet these standards. Beyond these standards, the act prohibits

significant degradation of air quality in so called "Class I" areas. The law requires Federal agency compliance with approved State Implementation Plans. At present, it remains unclear how this law applies to installations in Federal waters which adversely affect state and local air quality. This point is a central issue in the law suits brought by Exxon Corporation against the Interior department regarding development of the Santa Ynez unit in the Santa Barbara Channel.

VII. Oil Pollution Act of 1973, 33 US Code 1001-1015. Prohibits oil discharges by ships within 50 miles of the United States coast.

VIII. Intervention of the High Seas Act 33 US Code 1471-1487. Based on international treaty authority, this act allows the Secretary of Transportation to take steps to avoid oil pollution from ships on the high seas.

IX. Marine Protection Research and Sanctuaries Act of 1972 33 US Code 1401-1444. Authorizes designation of marine sanctuaries as part of a general marine sanctuaries program.

X. Natural Gas Act, 15 US Code 717-717W. Authorizes the Federal Power Commission to regulate gas pipelines especially those involving interstate commerce.

XI. Natural Gas Pipeline Safety Act of 1968 49 US Code 1671-1684. Grants the Transporation Department the authority to set and enforce pipeline design and safety standards.

XII. Occupational Safety and Health Act (OSHA) 29 US Code 651-678. Specificall applies to working conditions on facilities on the OCS.

XIII. Fish and Wildlife Act of 1956, 16 US Code A-754. Establishes the Fish and Wildlife service to study and preserve fishery resources.

XIV. Fish and Wildlife Coordination Act. 16 US Code 661-6673 Authorizes Federal Cooperation with states in conserving fishery resources and requires notification of the Commerce Secretary of offshore activity which adversely affects fishery resources.

XV. Fish Restoration and Protection Act, 16 US Code 777K This is a grant program to aid management and restoration of fisheries.

XVI. Marine Mammal Protection Act, 16 US Code 1361, 1362, 1371-1384. Prohibits the taking of marine mammals in coastal waters.

XVII. Commercial Fisheries Research and Development Act of 1974, 16 US Code 779-779F. This establishes a Department of Commerce Grant program for fishery research and development in offshore development areas.

XVIII. Anadromous Fish Conservation Act, 16 US Code 757A. Allows the Interior Secretary to enter into agreements with states to protect anadromous fish aganist offshore developments.

XIX. National Historic Preservation Act, 16 US Code 470 et seq. Protects historical and cultural resources, including those located offshore.

XX. Wildlife Restoration Act 16 US Code 669-6891. Provides Federal funds for wildlife restoration projects.

FEDERAL AGENCIES INVOLVED IN OCS DEVELOPMENT

(Reprinted From Offshore Oil and Gas Development: Southern California

Department of Commerce, National Oceanic and Atmospheric Administration (NOAA). Several offices within the National Oceanic and Atmospheric Administration have OCS-related responsibilities: Office of Coastal Zone Management (marine sanctuaries and coastal zone management); National Marine Fisheries Service (commercial fisheries and other living marine resources); Environmental Data Service (OCS marine environmental assessment data management); National Ocean Survey (tides, currents, and other environmental features affecting the design and location of offshore structures); National Sea Grant Program (marine research funds); Environmental Research Laboratory (assessment study of petroleum development on the Alaskan OCS); and, the National Wildlife Service (historic storm data, weather forecasts, and hurricane warnings). All federal agencies must notify the Department of Commerce National Oceanic and Atmospheric Administration of any proposal to grant a license or permit that might affect marine life and habitats. NOAA provides meteorological, oceanographic, fisheries, and marine wildlife data to other agencies for assessments of environmental impacts and recommends mitigating conditions for protection of marine and coastal resources.

Department of Defense Corps of Engineers. The U.S. Army Corps of Engineers has responsibility for preventing obstructions to navigation on the OCS. The Corps issues permits and sets and enforces regulations for fixed offshore structures, including platforms, artificial islands, pipelines, and exploratory drilling vessels. In congested areas, the Corps of Engineers has authority to establish safety fairways within which the installation of permanent structures is prohibited.

Environmental Protection Agency (EPA). The Environmental Protection Agency has responsibilities for preventing and reducing air and water pollution. EPA sets national ambient air quality standards for air pollutants and reviews state implementation plans designed to achieve those standards. EPA's air pollution controls apply to onshore facilities related to offshore petroleum development and could directly affect offshore operations. EPA issues permits for the discharge of pollutants into offshore waters and works with the Coast Guard to carry out a national oil spill prevention and cleanup program.

Executive Office of the President/Council on Environmental Quality (CEQ). CEQ advises the President on matters affecting the environment. CEQ establishes quidelines for the preparation of environmental impact statements under the National Environmental Policy Act and annually publishes substantive analyses of various environmental issues, including OCS oil and gas development.

Federal Power Commission (FPC). The FPC regulates the price and transportation of natural gas in interstate commerce, including all gas produced from the OCS. The Commission issues permits for the construction and operation of OCS and other interstate gas pipeline and storage facilities used with such pipelines, sets the wellhead price of OCS gas, and must assure the nondiscriminatory transportation and purchase of natural gas.

Interstate Commerce Commission (ICC). The ICC regulates rates and access to common carrier oil pipelines in interstate commerce, including oil pipelines from the OCS.

Department of the Interior/Bureau of Land Management (BLM). BLM has responsiblity for leasing offshore lands and collecting lease bonuses and rents. In administering lease sales, BLM receives nominations and selects tracts for inclusion in the sale; prepares an environmental impact statement for each sale, makes an economic, engineering, and geologic evaluation of tracts to be leased; and receives bonus bids and determines whether to award leases to the highest bidders on individual tracts. BLM also grants rights-of-way for oil and gas transmission lines from the OCS to shore.

Department of the Interior/Fish and Wildlife Service. The Fish and Wildlife Service provides biological assistance and recommendations for lease stipulations to BLM and USGS for OCS leasing and development activities pursuant to Secretarial Order 2974 dated April 30, 1975.

Department of the Interior/United States Geological Survey (USGS). Before BLM leases offshore lands, the USGS makes broad area surveys to assess hydrocarbon potential, grants permits for the conduct of geophysical and geologic exploration, participates in the preparation of environmental impact statements of proposed lease sales, and advises BLM on the resource potential and dollar value of specific lease tracts. USGS has the primary responsibiltiy for supervising exploration, development, and production activities on OCS leases. This post-lease supervision includes issuing and enforcing safety regulations, issuing geophysical and geologic exploration permits, reviewing exploration and development plans, issuing drilling permits, granting rights of use and easements for OCS pipelines on the OCS, and collecting royalties.

Department of Labor/Occupational Safety and Health Administration (OSHA). In conjunction with the Department of Health, Education, and Welfare (HEW), OHSA sets safety and health standards for fixed structures on the OCS. OSHA conducts inspections at the request of employers or workers and enforces the safety and health regulations.

Department of Transportation/Coast Guard. The Coast Guard has several responsibilities for safety and the prevention of pollution on the OCS. The Coast Guard establishes and enforces safety regulations for platforms and other fixed structures, insures proper marking of platforms to prevent collisions with vessels, and inspects floating drilling rigs. The Coast Guard enforces federal oil pollution laws in both federal and state waters offshore, shares responsibility with

the Environmental Protection Agency for oil spill prevention and cleanup, and coordinates the National Oil and Hazardous Substance Pollution Contingency Plan. In congested waters, the Coast Guard may establish a voluntary Vessel Traffic Separation Scheme (VTSS) such as those established in the Santa Barbara Channel and Gulf of Santa Catalina, with traffic lanes separating vessels going in opposite directions. In establishing such a scheme, the Coast Guard has no authority over the drilling operations fall under the U.S. Army Corps of Engineers' or U.S. Geological Survey's authority to regulate the location of fixed structures on the OCS.

Department of Transporatation/Office of Pipeline Safety. The Office of Pipeline Safety issues and enforces regulations applying to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of natural gas and petroleum pieplines crossing state lines, including OCS pipelines. This jurisdiction includes transmission pipelines, offshore gathering lines, and onshore gathering lines in nonrural areas.

A-3

BLM FACT SHEET

Pacific outer continental shelf office

DESCRIPTION OF THE OUTER CONTINENTAL SHELF (OCS)

MINERAL LEASING SYSTEM

Under the OCS Lands Act of August 7, 1953, (67 Stat. 462; 43 USC: Secs. 1331-1343), the Department of the Interior is charged with administering the mineral development of the Outer Continental Shelf. In the case of oil and gas development and production, this involves selection of areas for leasing; supervision of geological and geophysical exploration; meeting the environmental protection requirements of the National Environmental Policy Act; resource evaluation as a major component of determining the resource value; conducting competitive bidding for the resources; and supervision of exploratory drilling and production activities on leases. The detailed conduct of these activities are carried on primarily by two agencies of the Department: The Bureau of Land Management (BLM) and the Geological Survey (GS) with assistance from other appropriate agencies.

The Act requires that oil and gas leases may be issued only on a competitive bidding basis as follows:

(1) Sealed bids on the basis of highest cash bonus with fixed royalty; or

(2) Sealed bids on the basis of highest royalty with a fixed cash bonus.

The BLM is charged with Departmental responsibility to implement the leasing objectives of the Outer Continental Shelf Lands Act. The BLM performs its leasing functions within the purview of three leasing and management goals: (1) orderly and timely resource development, (2) protection of the environment, and (3) receipt of fair market value.

The Department's leasing function on the OCS consists of 13 major procedural components:

1. Proposed OCS Planning Schedule

2. Resource Reports from Appropriate Federal Agencies

3. Call for Nominations and Comments

4. Tentative Tract Selection

5. Environmental Analysis (DES, Public Hearings, FES)

6. Secretarial Issue Document (SID)

7. Pre-Lease Offer Evaluation

8. Proposed Notice of Sale

9. Lease Offering (Sale)

10. Post Lease Offer Analysis

11. Exploration

12. Development

13. Production

During each step of the OCS leasing procedure, the BLM coordinates with agencies both within and outside the Interior Department as well as State agencies. Major coordination efforts are conducted on a continuing basis with the GS which provides technical advice throughout the procedure. The GS is responsible for supervising and regulating exploration, development, and production activities on the leaseholds after leases are issued. (Components 11, 12, and 13 above)

The information used by both the government and industry on the hydrocarbon potential of various OCS areas is acquired by geological and geophysical surveys. These data are collected by specialized data collection firms under permits issued by the Geological Survey. Usually these firms are under contract with the GS and/or one or more oil companies to gather such geophysical and geological data. These data are used by industry in nominating tracts for lease (Component 3 above) and in preparation of bids (Component 8 above). They are used by the BLM for general Lease-Offer area identification for tentative tract selection, environmental assessments, and resource evaluation.

Environmental studies are being conducted in frontier areas to (1) provide better data on which leasing decisions can be made and (2) establish an environmental base to permit continued monitoring after leases have been issued, during drilling, and during production to detect possible changes or trends in environmental conditions that may be due to OCS operations. If such changes are adverse, appropriate action will be taken to reduce or eliminate them. Studies include marine geology, geophysics, biology, wildlife, chemistry, oceanography and meteorology associated with a particular region where offshore leasing may take place. These studies include results of ongoing research programs and analyses of existing information.

Additionally, the BLM's Environmental Studies Program administers a wide variety of other field, laboratory, and review studies designed to gather information about the physical, chemical, biological, and geological aspects of the OCS....nearshore environments....and the intertidal environments. These studies compliment other studies with regard to protection of the environment and the orderly development of the mineral resources.

The Environmental Studies Program has four scientific objectives: (1) the characterization of the environment; (2) provide data on potential OCS development impacts; (3) ensure that existing information and data from ongoing research is available to the decision making process in usable form; and (4) provide a basis for future monitoring of OCS operations. Before a study program is initiated, a study plan is developed by the BLM which considers: the information needed in support of the objectives; the Department's lease schedule and its attendant information requirements; the existing information and ongoing programs in this area; recommendations from state and other federal and local agencies; and recommendations from BLM sponsored meetings and workshops. The program elements are then prioritized for the first and subsequent year.

PROPOSED OCS PLANNING SCHEDULE

The proposed planning schedule establishes the timing of significant leasing actions. The schedule is continually being updated and revised within the Department as conditions change. Improved resource and environmental data are continually acquired and analyzed. These data, along with the three OCS leas- objectives and the current energy situation, are considered in the development of the schedule. The three objectives constitute overall policy parameters for the OCS program. Consideration accorded to each may vary from one of the thirteen leasing components to another.

An analysis is made in broad terms of when, where, and how much oil and gas acreage to offer for lease. This is done through a review of the national energy situation and the identification of future supply-demand imbalances. Deficits are identified by matching projections of future non-OCS supplies of oil and gas and future OCS production from existing leases with future projected demand.

The different options also are reviewed from the perspective of receipt of fair market value. The size and frequency of sales can influence a competitive market which in turn effects the Government's receipt of fair market value. Sufficient acreage will be offered in each area to ensure that if major structures containing oil and gas are present, they can be explored and developed. Each new schedule is flexible and subject to regular revisions and modifications as the level of knowledge expands.

RESOURCE REPORTS

In order to obtain the broadest possible spectrum of information on an area proposed for possible leasing, technical resource reports are requested from involved State governments and all Federal agencies and Bureaus with expertise appropriate to the needs in considering an area. Such factors as geology, geophysics, mineral occurrence, coastal zone management, sport and commercial fishing, recreation use, environmental values, oceanography, navigation, biology, wildlife, economics, defense activity, and sociological values are included in these reports. Resource reports are usually requested about four months prior to a Call for Nominations and Comments.

CALL FOR NOMINATIONS AND COMMENTS

The call for nominations and comments is an official notice to all interested parties, published in the Federal Register and news media, to obtain an indication of which tracts are desired for lease offering, which tracts are recommended to be withheld from lease offering, and which tracts are recommended for leasing with special conditions. Calls are issued for large contiguous areas usually embracing several million acres offshore. Normally about 60-90 days are allowed for interested parties to submit tract nominations and comments. Information and comments pertaining to environmental and socio-economic factors which may affect potential leasing and development within the area named are solicited from any interested person or agency. A Call for Nominations and Comments is an information gathering component of the Bureau's leasing procedure and does not commit the Department to leasing within the area of the Call.

TENTATIVE TRACT SELECTION

After nominations have been received, specific tracts are selected for recommendation for possible lease offering. This is a joint responsibility of the BLM and GS. A formal agreement of August, 1971 identifies and describes the joint tract selection procedures for OCS oil and gas leasing. In the tract selection process, the Department gathers and reviews more detailed geophysical, geological, engineering, economic and resource information and nominations on areas proposed for leasing. The BLM's responsibility involves an evaluation of: (1) the number of nominations per tract; (2) the need to initiate leasing in wildcat areas in terms of industry development capability, competition, and timely future availability of resources to consumers; (3) tract leasing history; (4) nomination patterns; (5) consideration of a mix of tracts by water depth and distance from shore; (6) and identification of tracts deleted from prior sales for environmental impact reasons and (7) identification of tracts for which special environmental stipulations have been recommended. The GS's responsibility involves a technical evaluation to ensure proper consideration of the development of geologic structures and trends, identification of tracts in imminent danger of drainage, tracts which are most prospective for production, and tracts showing immediate potential - thus conducive for prompt drilling and development. Based on the agency analyses, a joint BLM-GS field office tentative tract selection recommendation is made. The Washington offices of BLM and GS, after review of the joint field reports, recommend a tentative tract selection for announcement by the Secretary prior to initiation of a site-specific ES.

ENVIRONMENTAL ANALYSIS

This component involves the preparation of a site-specific Environmental Statement under Section 102 (2) (c) of the National Environmental Policy Act of 1969. A Draft Environmental Statement (DES) is first prepared and a Public Hearing held on that document. A Final ES (FES) is then prepared which considers any new data and all comments received on the DES as well as the results of the Hearing. Consultation and coordination with interested Federal agencies, State and local governments, institutions, groups and individuals are routinely undertaken during the preparation of any ES concerning proposed OCS lease sales. The ES considers all data

collected and evaluates the effect on the proposed sale on components of the environment of the area during exploration, development and operational phases of possible mineral operations. The following topics are specifically addressed in each ES:

1. Description of the proposed action.

2. Description of the environment.

3. Environmental impact of proposed action.

4. Mitigating measures included in the proposed action.

5. Any unavoidable adverse environmental effect.

6. The relationship between local short-term uses and maintenance and enhancement of long-term productivity.

7. Any irreversible or irretrievable commitments of resources.

8. Alternatives to the proposed action.

9. Coordination and consultation with others.

The DES is made available to the public and is submitted for review to Federal agencies with jurisdiction or expertise; to State and local agencies authorized to develop or enforce environmental standards; and to any interested member of the public who requests a copy. The President's Council on Environmental Quality (CEQ) states that a public hearing may be held not sooner than fifteen days after the draft has been made available. However, the Department's policy is to hold a public hearing on each DES not less than thirty days after the draft is made available. Anyone who wishes may comment on the proposed action at the hearing and/or submit written comments.

The FES is prepared after comments on the draft are considered and testimony from the hearings is analyzed. Any new information and unresolved issues are also included in preparation of the FES. When completed, the FES is submitted to the Council on Environmental Quality (CEQ).

SECRETARIAL ISSUE DOCUMENT (SID)

After the final statement has been prepared, a Secretarial Issue Document (SID) is also prepared. The SID brings to the decision maker's attention the factors associated with the proposed action. The factors discussed in a SID include the economic, social, environmental, and political impacts of the proposal and its effect on the Department's budget and programs. This document, in conjunction with the Final Environmental Statement, provides the Secretary with information necessary to evaluate the total impact of the proposed action.

Prior to a lease sale, the GS calculates pre-sale values of the OCS tracts offered for lease with BLM performing an audit and review function. GS provides the geologic, geophysical and engineering inputs which are obtained through in-house analysis of industry data submitted to the Government and through the purchase of seismic information. BLM provides certain economic inputs which are obtained through review of industry publications, adherence to Departmental guidelines and by independent research. Such inputs include estimates of equilibrium oil and gas prices, discount rates and procedures to follow in calculating taxes.

A formal evaluation agreement, signed December 1971, between BLM and GS established the responsibilities of each organization in the evaluation process. Under this agreement, the GS field office furnishes to the BLM Washington Office, detailed reliability categories for each tract indicating the adequacy of available technical data. At the same time, they also indicate other factors that will be used in the resource evaluation. Prior to the sale, the GS field office gathers data on all the tracts in the sale and develops a Range of Values (ROV), Mean Range of Values (MROV) and Discounted MROV, normally calculated using a discounted cash flow, for each tract being offered for lease sale.

Prior to the sale, the GS field office provides to the BLM evaluation review team the tract values that have been calculated. The team reviews the reserve estimates and all pertinent data used in the evaluation process. The review team submits a report to the responsible GS and BLM officials, indicating the team's findings. The report entails review of the GS pre-sale evaluation procedures and discusses any area of possible concern regarding selected evaluation inputs such as price, discount factors, and taxation methods.

Within ninety days after a sale, BLM reviews and analyzes the manner in which the pre-sale evaluation procedures were implemented. This review identifies areas where information or data is needed and suggests changes in the pre-sale evaluation process for use in succeeding lease sales. As the necessity arises, the Department conducts further reviews and analyses looking toward improved OCS sales' operations and procedures. These reviews set the stage for improvement in procedures for future sales.

PROPOSED NOTICE OF SALE

Having arrived at a tentative sale decision, the Secretary of the Interior notifies the respective affected States of Interior's intention to hold a lease sale. This pre-sale step provides approximately a 60 day period for State review of the Sale Notice. This step occurs prior to the "Notice of Sale" to the Public.

NOTICE OF SALE / LEASE OFFER (Sale)

The terms and conditions of each lease offer are published in the Federal Register not sooner than 30 days after the FES is submitted to the CEQ and at least 30 days prior to the sale date. Lease offerings are conducted by the Manager of the BLM's appropriate leasing office pursuant to the detailed

procedures that are issued by him prior to each sale. Following all openings of sealed bids, they are checked for technical and legal adequacy; qualifications of bidders; sufficient advance bonus (20% at time of bidding); power of attorney; compliance certificates; bonds; etc.

POST LEASE OFFER ANALYSIS

Following a lease offering, the BLM conducts a procedural review of the high bids to assist the Manager in his determination of whether particular leases should be issued. The analytical system considers the three leasing and management goals: (1) orderly and timely resource development, (2) environmental protection, and (3) receipt of fair market value.

The Primary emphasis in the post lease offer analysis is on the receipt of fair market value. The factors analyzed in the fair market value portion of the analysis system are: (1) the GS reliability category; (2) the high bid as a percent of the mean of the Range Of Value (ROV), the discounted mean of the ROV and the average evaluation. Factors considered in the analysis of lease offering competition are: (1) the average number of bids per tract by type of tract; (2) the competitive bidding performance of high bidders; and (3) average number of bids on all tracts on which high bidders bid. Orderly and timely development of the mineral resources of the OCS requires analysis of each tract bid upon. This provides the Manager with information which aids in the determination of particular lease issue: (1) leasing history of the tract, i.e., information concerning the number of times a tract has been nominated and offered, including bids submitted and rejected; and (2) status of production in the area. It is possible that some tracts are being drained or could be drained by production from adjoining tracts producing from the same structure. This requires an analysis of the effect of not leasing a tract on the initial or ultimate development of the structure.

In the post lease offer evaluation, new or additional environmental information is considered, along with information developed in the environmental statement, i.e., tracts with stipulations, and environmental matrix analysis results.

Note: In the normal course of events the procedural steps relating to a specific lease offering (starting with a request for resource reports) usually consumes a period of approximately 25 to 36 months.

BLM FACT SHEET

Pacific outer continental shelf office

PUBLIC PARTICIPATION IN OCS DECISIONS

- ENVIRONMENTAL STUDY PROGRAM - Representatives from the coastal States serve on the OCS Environmental Studies Advisory Committee which advises the Bureau of Land Management on its environmental study program.

- DEVELOPMENT OF OCS ORDERS - The Geological Survey consults with the States in the development of OCS Orders. These Orders provide industry with the rules and regulations to be followed in exploration and production activities on the OCS. The regulations that are now in effect have been strengthened considerably since The Santa Barbara spill.

- CALL FOR RESOURCE REPORTS - Resource reports are requested of all involved State governments and Federal agencies with appropriate expertiseand are normally requested four months before the Call for Nominations. Resource Reports are developed to obtain the broadest possible spectrum of information. Examples of information contained in these reports are: geology, mineral occurrence, coastal zone management, sport and commercial fishing, recreation use, and environmental/social values.

- CALL FOR NOMINATIONS AND COMMENTS - Approximately 24 to 30 months prior to a sale date, the Department publishes a request for nominations in the Federal Register and the news media. All interested members of the public including the adjacent States are urged to nominate specific tracts which they would want to see studied further for possible inclusion in a sale. They are also asked to designate specific tracts which should be excluded from the leasing process because of environmental or multiple use conflicts.

- TRACT SELECTION - Subsequent to receipt of the nominations, the Department makes a tentative selection of tracts. States are consulted on the issues involved in the selection process and are asked to be present at tract selection meetings. States are again consulted before any final decision is made on tracts to be offered in a sale.

- DRAFT ENVIRONMENTAL STATEMENT (DES) - The DES contains a detailed environmental assessment on a tract by tract basis in addition to an analysis of the general environmental conditions in the area. The States and local agencies are given the opportunity to designate representatives to participate in the actual preparation of this document.

- PUBLIC HEARINGS AND COMMENTS - After publication of the DES, Public Hearings are held and States, or anyone who so desires, are invited to comment either orally and/or by written statement. These comments are used in preparation of the Final Environmental Statement (FES).

- PROPOSED NOTICE OF SALE - Having arrived at a tentative sale decision, based on the FES and Program Decision Option Document, the Secretary of the Interior notifies the respective affected States of Interior's intentions to hold a lease sale. This pre-sale step provides a 60-day period for State review of the sale notice. This step affords Governors the opportunity to review and comment on such items as what tracts are to be included in a sale and which should be deleted. This step occurs prior to the "Notice of Sale" to the Public.

- DECISION BY THE SECRETARY - After completion of the FES and a Program Decision Option Document, a decision is made by the Secretary...taking into account the affected States' Governor's comments....whether to proceed with the sale and if so, the composition of the sale.

- REVIEW OF DEVELOPMENT PLAN - By regulations, two procedures are provided for State participation at the development stage: (1) affected coastal States will be provided by the lessee, information on proposed operations both onshore and offshore; and (2) the States will be given a 60-day period to review and comment on the lease development plan.

In addition to the above points at which States can participate, we have established an OCS Advisory Board with members from the coastal States, the private sector, and selected Federal members. The purpose of the Board is to advise Interior's officials on all aspects of exploration and development of OCS resources. The first meeting of the Board was held October 22, 1975. The meeting provided a forum for constructive dialogue between the coastal States and the Federal Government concerning several aspects of the leasing program. The Board charter also provides for regional meetings. These meetings will enable those States with similar problems to discuss mutual areas of concern and formulate solutions to Interior.

BLM FACT SHEET

Pacific outer continental shelf office

OFFSHORE DRILLING PERMITS

It takes approximately four to six months for an oil company to obtain permission to drill for oil and natural gas in a Federal offshore area. Before the company may proceed with actual operations, it must secure:

- A National Pollutant Discharge Elimination System (NPDES) discharge permit from the Environmental Protection Agency (EPA)
- An ocean dumping permit from the EPA (in rare cases).
- Approval of an exploration plan by the U.S. Geological Survey (USGS).
- Approval of Application for Drilling from the USGS.
- A location/structure permit from the U.S. Army Corps of Engineers.

(NOTE:) The permission to commence drilling is inherent in the issuance of the location/structure permit by the Corps of Engineers. Although the Corps addresses only potential effects on navigation and national security (in review of an oil company's request), nonetheless, this permit will not be issued by the Corps unless all prerequisites, coordinations, and approvals have been accomplished per steps listed above. Additionally, an oil company must acquire a separate permit from the Corps for production drilling if exploration proves recoverable reserves to be present. The discharge permit involves whatever is to be discharged to surrounding waters -- drill cuttings, drilling mud mixtures, water, treated sewage. It can be issued for a series of locations to be drilled from one vessel.

The exploration plan must be submitted to the area USGS Supervisor for approval prior to application for the drilling. It includes the following types of surveys and contingency plans:

- SHALLOW DRILLING HAZARD SURVEYS: to determine whether there are potential hazards to the drilling operations. These include:
    * Detailed geophysical data --data on the formation to be drilled. Can reveal shallow zones, mud areas which could slide, and other potential problem areas.
    * Sonar "picture" of the ocean bottom
    * Water surveys
- CULTURAL RESOURCES SURVEY: a check of bottom areas for cultural and archeological relics which might be damaged by drilling.
- BIOLOGICAL SITE SURVEY: (If necessary) visual benthic survey of specified lease tracts to determine location and facilitate protection of potentially unique biological communities.
- CONTINGENCY PLANS:
    * Hydrogen sulfide emissions plan.
    * Oil spill control and containment plan.
    * Critical operation curtailment plan -- procedures for shutting down the drilling operation due to well problems (flow of fluids, etc.) or with the weather; ie- high seas causing the drilling rig to heave too severely.

- DESCRIPTION & EVALUATION OF RIG: design, capabilities, pollution control equipment. The USGS must inspect the Rig.
- WELL LOCATIONS/SUPPORTING GEOLOGICAL INFORMATION: seismic profiles, contour maps of geologic structures to be drilled, other related information.

The location/structure permit must be obtained for each tract on which drilling will take place. As stated above, permit issuance considers possible effects of rig placement on navigation and national security considerations.

Dated: January 24, 1978.

JOAN M. DAVENPORT,
Assistant Secretary
of the Interior.

30 CFR 250.34 is modified to read:

* * * * *

Sec.
250.34 Exploration, development, and production plans.
250.34-1 Exploration plan.
250.34-2 Development and production plan.
250.34-3 Environmental reports; information to be provided to affected States.
250.34-4 Compliance with the National Environmental Policy Act.

* * * * *

AUTHORITY: Outer Continental Shelf Lands Act of 1953, as amended (43 U.S.C. 1331 et seq.); National Environmental Policy Act of 1969 (42 U.S.C. 4332); Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1456).

NOTE.—Terms used in this section are defined in 30 CFR 250.2 and 252.2.

§ 250.34 Exploration, development, and production plans.

§ 250.34-1 Exploration plan.

(a) No exploration activities, except for preliminary activities, may be commenced on any leased area until a proposed exploration plan covering that area has been submitted to and approved by the Supervisor. Preliminary activities are geological, geophysical, and other surveys which are necessary to develop a comprehensive exploration plan but which do not result in any physical penetration of the seabed of greater than three hundred (300) feet or fifty (50) feet of consolidated formations or in any significant adverse impact on the natural resources of the Outer Continental Shelf (OCS). An exploration plan may apply to one or more leases held by an individual lessee, or may be submitted by a group of lessees acting jointly through a unit operator pursuant to an approved unit agreement. A proposed exploration plan shall identify and describe (in the detail required by the regulations in this Part, OCS Orders, and Notices to Lessees) all exploration activities to be undertaken on the area covered by the plan for the time period specified in the plan. An exploration plan shall include:

(1) The proposed type and sequence of exploration activities to be undertaken together with a tentative timetable for performance;

(2) A description of the drilling vessels, platforms, or other offshore structures to be used indicating the important features thereof with special attention to safety features and pollution-prevention and control features;

(3) Types of geophysical equipment to be utilized;

(4) Approximate location of each proposed exploratory well, including surface and projected bottom hole location of each directionally drilled well;

(5) Current structure maps and, as appropriate, schematic cross sections showing expected depth of marker formations; and

(6) Such other relevant data and information as the Supervisor may require.

The lessee shall indicate which portions of the proposed exploration plan he believes to be exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552) and implementing regulations (43 CFR Part 2).

(b)(1) A proposed exploration plan and its accompanying Environmental Report (Exploration) shall be submitted at the same time and shall not be deemed received by the Supervisor until he has determined that they are complete and contain the information required by subsections 250.34-1(a) and 250.34-3(a) of this Part.

(2) Prior to making the determination under paragraph (1), the Supervisor shall provide each affected State with an advance copy of the Environmental Report (Exploration). If any affected State believes the Environmental Report (Exploration) does not satisfy the requirements of § 250.34(a), the State must make its objections known to the Supervisor within 10 days. The Supervisor shall attempt to resolve the State's objections through whatever means are available, including meeting informally with representatives of the lessee and affected State. If the differences cannot be resolved in this manner, the supervisor shall determine whether the report complies with the requirements of § 250.34-3(a) and shall notify the lessee and the affected State of the determination.

(c) The lessee shall submit to the Supervisor a sufficient number of copies of each proposed exploration plan to permit the Supervisor to transmit copies of the plan to the Governor and the coastal zone management agency of each affected State and to the United States Office of Coastal Zone Management. Within ten (10) days after his determination of receipt of the proposed plan under subsection (b)(1) of this section, the Supervisor shall transmit a copy of the plan, except for those portions he determines to be exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552) and implementing regulations (43 CFR Part 2), to the Governor and coastal zone management agency of each affected State and to the United States Office of Coastal Zone Management. The Supervisor shall also make copies of the plan available to the public, except for those portions he has determined to be exempt, in accordance with the Freedom of Information Act.

(d)(1)(i) In his evaluation of a proposed exploration plan the Supervisor shall consider comments received from the Governors of affected States, whether or not such States have coastal zone management programs approved pursuant to section 306 of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1455). The Supervisor shall respond in writing to all timely submitted written comments and give his reasons for the action taken. The Supervisor may consult directly with affected States regarding matters contained in the comments.

(ii) The Supervisor shall not grant or deny approval for a proposed exploration plan until written comments have been received from each affected State, or until 30 days after each affected State receives a copy of the proposed plan and its accompanying Environmental Report, whichever occurs first.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, the Supervisor shall not approve any activity described in detail in an exploration plan and affecting any land or water use in the coastal zone of a State with a coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1455), unless such State or its designated agency concurs or is conclusively presumed to concur with the consistency certification accompanying such plan pursuant to subsection 307(c)(3)(B) of such Act (16 U.S.C. 1456(c)(3)(B)), or the Secretary of Commerce makes the finding authorized by subsection 307(c)(3)(B) of such Act.

(e) The lessee may not drill any well until he receives the Supervisor's approval of an application for permit to drill filed in accordance with the requirements of sections § 250.41(a) and § 250.91(a). The Supervisor shall not approve any permit which does not conform to the applicable approved exploration plan. The Supervisor shall transmit a copy of the lessee's application for permit to drill, except for those portions he determines to be exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552) and implementing regulations (43 CFR Part 2), to each affected State, unless he is informed by such State that it does not wish to receive a copy of the application. Since a permit to drill must conform with an approved exploration plan, the permit application is not subject to separate State consistency review under the Coastal Zone Management Act.

(f) The Supervisor shall periodically review each approved plan. The frequency and extent of his review shall be based upon the significance of any

changes in available information and in other onshore or offshore conditions affecting or impacted by exploration pursuant to such plan. If the review indicates that the plan should be revised to meet the requirements of this Part, the Supervisor shall require such revision pursuant to subsection (i) of this section.

(g) The Supervisor may authorize or direct the lessee to conduct such geological, geophysical, or other surveys as the Supervisor determines to be necessary for the evaluation of activities to be carried out under a proposed exploration plan or being carried out under an approved plan. The lessee shall provide the Supervisor, upon his request, with copies of any data obtained as a result of such surveys.

(h) Nothing in this section shall be viewed as limiting the lessee's responsibility to take appropriate measures to meet emergency situations. In such situations, the Supervisor may approve or require departures from an approved exploration plan. When such departures are authorized or directed, the Supervisor shall, as soon as practicable, advise the Governors of affected States of the action taken.

(i) Proposals to revise a proposed or approved exploration plan, whether initiated by the lessee or ordered by the Supervisor, shall be submitted to the Supervisor for approval in the same manner as, and with the same information required for, a new plan of exploration. When the Supervisor determines that a proposed revision could result in a significant change in the impacts identified and assessed in the Environmental Report (Exploration) submitted in accordance with subsection 250.34-3(a), the revision shall be subject to the procedures of subsections (b), (c), and (d) of this section, and the lessee shall submit appropriate revisions to the Environmental Report (Exploration) in accordance with § 250.34-3(a).

§ 250.34-2 Development and production plan.

(a) No development or production activities may be commenced on any leased area until a proposed plan of development and production covering that area has been submitted to and approved by the Supervisor. A development and production plan may apply to one or more leases held by an individual lessee or may be submitted by a group of lessees acting jointly through a unit operator pursuant to an approved unit agreement. A proposed plan of development and production shall identify and describe (in the detail required by the regulations in this Part, applicable OCS Orders, and Notices to Lessees) all development and production activities to be undertaken on the area covered by the plan for the time period specified in the plan. A development and production plan shall include:

(1) A description of the specific work to be performed together with a proposed schedule for development and production;

(2) A description of drilling vessels, platforms, or other offshore structures to be used showing the location, design, and important features thereof, including features pertaining to safety and to pollution prevention and control;

(3) The location of each well, including surface and projected bottom hole locations for each directionally drilled well;

(4) Current interpretations of all available geological and geophysical data, including structure maps and schematic cross sections of productive formations;

(5) A description of the environmental safeguards to be implemented in the course of development and production operations under the plan together with a discussion of how such safeguards are to be implemented;

(6) all safety standards to be met and the safety features to be utilized in order to meet those standards; and

(7) such other relevant data and information as the Supervisor may require.

The lessee shall indicate which portions of the proposed development and production plan he believes to be exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552) and implementing regulations (43 CFR Part 2).

(b) (1) A proposed development and production plan and the accompanying Environmental Report (Development/Production) shall be submitted at the same time, and shall not be deemed received by the Supervisor until he determines that they are complete and contain the information required by subsections 250.34-2(a) and 250.34-3(b).

(2) Prior to making the determination under paragraph (1), the Supervisor shall provide each affected State with an advance copy of the Environmental Report (Development/Production). If any affected State believes the Environmental Report (Development/Production) does not satisfy the requirements of § 250.34—3(b), the State must make its objections known to the Supervisor within 10 days. The Supervisor shall attempt to resolve the State's objections through whatever means are available, including meeting informally with representatives of the lessee and affected State. If the differences cannot be resolved in this manner, the Supervisor shall determine whether the report complies with the requirements of § 250.34-3(b) and shall notify the lessee and the affected State of the determination.

(c) The Supervisor may require the lessees of tracts on which oil or gas, or both, have been discovered in paying quantities and which are adjacent to or nearby the area covered in a proposed plan of development and production, to submit a preliminary description of their plans for development and production on the adjacent or nearby areas.

(d) The lessee shall submit to the Supervisor a sufficient number of copies of each proposed plan of development and production to permit the Supervisor to transmit copies of the plan to the Governor and coastal zone management agency of each affected State and to the United States Office of Coastal Zone Management. Within ten (10) days after his determination of receipt of the proposed plan under subsection (b)(1) of this section, the Supervisor shall transmit a copy of the plan, except for those portions he determines to be exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552) and implementing regulations (43 CFR Part 2), to the Governor and coastal zone management agency of each affected State and to the United States Office of Coastal Zone Management. The Supervisor shall also make copies of the plan available to the public, except for those portions he has determined to be exempt, in accordance with the Freedom of Information Act.

(e)(1) (i) In his evaluation of a proposed plan of development and production, the Supervisor shall consider comments received from the Governors of affected States, whether or not such States have coastal zone management programs approved pursuant to section 306 of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1455). The Supervisor shall respond in writing to all timely submitted written comments giving his reasons for the action taken. The Supervisor may consult directly with affected States regarding matters contained in the comments.

(ii) The Supervisor shall not grant or deny approval for a proposed plan of development and production until written comments have been received from each affected State, or until 60 days after each affected State receives a copy of the proposed plan and its accompanying Environmental Report, whichever occurs first.

(2) Notwithstanding the provision of paragraph (1) of this subsection, the Supervisor shall not approve any activity described in detail in a development and production plan and affecting any land or water use in the coastal zone of a State with a coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1455), unless such State or its designated agency concurs or is conclusively presumed to concur with the consistency certification accompa-

nying such plan pursuant to subsection 307(c)(3)(B) of such Act (16 U.S.C. 1456(c)(3)(B)), or the Secretary of Commerce makes the finding authorized by subsection 307(c)(3)(B) of such Act.

(f) The lessee may not drill any well until he receives the Supervisor's approval of an application for permit to drill filed in accordance with the requirements of sections 250.41(a) and 250.91(a) of this Part. The Supervisor shall not approve any permit which does not conform with the applicable approved plan of development and production. The Supervisor shall transmit a copy of the lessee's application for permit to drill, except for those portions he determines to be exempt from disclosure under the Freedom of Information Act (43 U.S.C. 552) and implementing regulations (43 CFR Part 2), to each affected State, unless he is informed by such State that it does not wish to receive a copy of the application. Since a permit to drill must conform to an approved plan of development and production, the permit application is not subject to separate State consistency review under the Coastal Zone Management Act.

(g) The Supervisor shall periodically review each approved development and production plan. The frequency and extent of his review shall be based upon the significance of any changes in available information and in other onshore or offshore conditions affecting or impacted by development or production pursuant to such plan. If the review indicates that the plan should be revised to meet the requirements of this Part, the Supervisor shall require such revision pursuant to subsection (j) of this section.

(h) The Supervisor may authorize or direct the lessee to conduct such geological, geophysical, or other surveys as the Supervisor determines to be necessary for the evaluation of activities to be carried out under a proposed development and production plan or being carried out under an approved plan. The lessee shall provide the Supervisor, upon his request, with copies of any data obtained as a result of such surveys.

(i) Nothing in this section shall be viewed as limiting the lessee's responsibility to take appropriate measures to meet emergency situations. In such situations, the Supervisor may approve or require departures from an approved development and production plan. When such departures are authorized or directed, the Supervisor shall, as soon as practicable, advise the Governors of affected States of the action taken.

(j) Proposals to revise a proposed or approved development and production plan, whether initiated by the lessee or ordered by the Supervisor, shall be submitted to the Supervisor for approval in the same manner as, and with the same information required for, a new development and production plan. When the Supervisor determines that a proposed revision could result in a significant change in the impacts identified and assessed in the Environmental Report (Development/Production) submitted in accordance with subsection 250.34-3(b), the revision shall be subject to the procedures of subsections (b), (d), and (e) of this section, and the lessee shall submit appropriate revisions to the Environmental Report (Development/Production) in accordance with § 250.34-3(b).

§ 250.34-3 Environmental reports; information to be provided to affected states.

(a) Environmental Report (Exploration). At the same time the lessee submits a proposed exploration plan to the Supervisor, he shall submit an Environmental Report (Exploration). The report may be in summary form, need not be as detailed as the report required by subsection (b) of this section, and should reference information contained in the most recent Environmental Impact Statement prepared for the area. The Environmental Report (Exploration) shall include information available at the time of plan submission to the extent that such information is accurate, current, and applicable to the geographic area covered by the proposed exploration plan.

(1) The Environmental Report (Exploration) shall contain, but need not be limited to, the following information:

(i) a description of the affected ocean area, including a general description of water depth, currents, water quality, submarine geology, weather patterns, and ambient air quality;

(ii) a description of environmentally sensitive or potentially hazardous areas which might be affected by the proposed exploration activities and a description of the alternatives considered and the actions to be taken to preserve or protect such areas. Such areas shall include, but are not limited to, those of cultural, biological (e.g., fisheries), archeological, or geological (e.g., seismic) significance, and areas of particular concern designated by affected States pursuant to the Coastal Zone Management Act;

(iii) a description of procedures, personnel, and equipment that are to be used for preventing, reporting, and cleaning up spills of oil or waste materials which might occur during the proposed exploration activities, including information on response time, capacity, and location of equipment;

(iv) the location, size, and number of onshore support and storage facilities, their land requirements and related rights-of-way and easements, which could result from or be required by approval of the proposed exploration plan, including where possible a timetable regarding the acquisition of lands and the construction or expansion of any facilities;

(v) an estimate of the number of persons expected to be employed in support of offshore, onshore, and transportation activities, including where possible the approximate number of new employees and families likely to move into the affected coastal area;

(vi) a description of the most likely travel routes for boat and aircraft traffic between offshore and onshore facilities, an estimate of the frequency such routes will be traversed, on a monthly basis, and the probable onshore location of terminals;

(vii) a description of the quantity and composition of solid and liquid wastes and gaseous pollutants likely to be generated by offshore, onshore, and transport operations and a description of treatment and disposal alternatives considered and actions to be taken to limited pollution effects;

(viii) an estimate of any significant demand for major supplies, equipment, goods, services, water, aggregate, energy, or other resources within coastal areas of affected States necessary for carrying out the proposed plan;

(ix) an assessment of the impact on the offshore and onshore environments expected to occur as a result of implementation of the proposed exploration plan, expressed in terms of magnitude and duration, with special emphasis upon the identification and evaluation of unavoidable and irreversible impacts on the environment;

(x) copies of all consistency certifications provided to affected States with approved coastal zone management programs; and

(xi) the name, address, and telephone number of an individual employee of the lessee to whom inquiries by the State agency may be made.

(2) The lessee shall submit a sufficient number of copies of each Environmental Report (Exploration) to permit the Supervisor to transmit a copy to the Governor and coastal zone management agency of each affected State and to the United States Office of Coastal Zone Management. The Supervisor shall transmit such copies at the same time he transmits copies of the applicable exploration plan. The Supervisor shall also make copies of the Environmental Report (Exploration) available to the public in accordance with the Freedom of Information Act.

(b) Environmental Report (Development/Production). At the same time the lessee submits a proposed development and production plan to the Supervisor, he shall submit an Environ-

mental Report (Development/Production). The report shall include all activities proposed for immediate implementation and those contemplated for future implementation and shall identify all environmental and safety features required by law together with such additional measures as the lessee proposes to employ. The report shall be as detailed as necessary to enable identification and evaluation of the significant environmental consequences of the proposed activities and shall include all information available to the lessee at the time of submission.

(i) The Environmental Report (Development/Production) shall contain, but need not be limited to, the following information:

(i) Location. The location, to the maximum extent practicable, and the description and size of any offshore and land-based operation to be conducted or contracted for as a result of the proposed lease or unit activity. This shall include:

(A) the acreage required within a State for facilities (such as staging areas for pipe coating and pipeline installation, platform fabrication and installation, and refineries), storage, rights-of-way and easements;

(B) the means proposed for transportation of oil and gas to shore, the routes to be followed by each mode of transportation and the estimated quantities of oil or gas, or both, to be moved along such routes;

(C) an estimate of the frequency of boat and aircraft departures and arrivals, the onshore location of terminals, and the normal routes for each mode of transportation; and

(D) quantities, types, and plans for disposal of solid and liquid wastes and gaseous pollutants which may be generated by offshore, onshore, and transport operations, and, regarding any wastes which may require onshore disposal, the means of transportation to be used to bring the wastes to shore, and the location of onshore waste disposal or treatment facilities.

(ii) Resource requirements. The requirements for land, labor, material, and energy for the items identified above including:

(A) the approximate number, timing, and duration of employment of persons who will be engaged in onshore development and transportation activities and offshore development and production activities, the approximate number of local personnel who will be employed for or in support of the development activities (classified by the major skills or crafts that will be required from local sources and estimated number of each such skill needed), and the approximate total number of persons who will be employed during the onshore construction acitivity and during all activities related to offshore development and production;

(B) the approximate number of people and families to be added to the population of local near-shore areas as a result of the planned development;

(C) an estimate of significant quantities of energy and resources to be used or consumed, including electricity, water, oil and gas, diesal fuel, aggregate, or other supplies, which may be purchased within an affected State; and

(D) the types of contractors or vendors which will be needed, although not specifically indentified, and which may place a demand on local goods and services.

(iii) Time frame. A schedule setting forth specific development and production activities. To the maximum extent possible, individual activities are to be projected on a year-to-year basis. The schedule shall include:

(A) Sequence in which events are expected to be accomplished;

(B) Best estimate of time required to complete specific activities;

(C) Month and year that specific actions are most likely to occur onshore and offshore; and

(D) Month and year that other pertinent activities associated with development of onshore and offshore activities are likely to be accomplished.

(iv) Physical environment. A description of the lease(s) to be developed. This portion of the report shall include data and information obtained or developed by the lessee together with other pertinent data and information available to the lessee from other sources. The lessee should cross-reference information on the physical environment in the most recent Environmental Impact Statement and should summarize pertinent information contained in other published accredited reports. The report shall clearly identify the source of all data and information contained therein. The data and information to be included in the lessee's report on the physical environment shall include where appropriate:

(A) Archeologic/cultural resource surveys of the lease or unit area;

(B) Seafloor configuration, stability, foundation characteristics, sedimentation, and erosion potential at the site of structural components described in the plan;

(C) Aquatic biota, including a description of fishery and marine mammal significance and utilization of the lease or unit area;

(D) Ocean currents described as to prevailing direction, seasonal variations and variations at different depths in the lease or unit area;

(E) Meteorologic conditions, including storm frequency and magnitude, wind direction and velocity, and ambient air quality, and listing, where possible, the means, extremes, and averages of each;

(F) Predevelopment water column quality (ambient) and temperature data for incremental depths for the area encompassed by the plan;

(G) Seismic risk and conditions (geophysical high-resolution surveys of sites, routes, and corridors);

(H) Amounts and types of ecologic disruption expected by construction of all planned facilities; and

(I) Volume and nature of emissions to be discharged into the atmosphere and the ocean. Specific components (e.g., NO, SO, hydrocarbons, etc.) are to be listed.

(v) Assessment of impacts. An assessment of the impact on the environment expected to occur as a result of implementation of the proposed plan. This section of the report shall identify specific and cumulative impacts that may occur both onshore and offshore. Such impacts shall be quantified to the fullest extent possible and shall be accumulated for all activities for each of the major elements of the environment (i.e., air, water, biota, etc.). In every case, impacts shall be expressed in terms of magnitude and duration. The report shall place special emphasis upon the identification and evaluation of unavoidable and irreversible impacts on the environment.

(vi) Contingency plans and equipment. A description of the contingency plans that are in effect for the area to be developed together with a discussion of the pollution-prevention and cleanup equipment that is or will be maintained on the drill site and in the area pursuant to a Regional Contingency Plan.

(vii) Alternatives to the plan. A discussion of alternatives to the activities proposed that were considered during the development of the proposed plan; for example, a comparison of development and production operations using a bottom-supported platform which extends above the surface of the ocean with a similar degree of oil and gas development using seafloor completion and production techniques. Any significant differences in the environmental impacts of the use of alternative technologies shall be identified and discussed.

(viii) Environmental monitoring systems. A description of existing monitoring systems that are currently measuring impacts of activities upon the environment in the lease area together with those additional systems that may be needed to provide accurate recording and reporting of cumulative impacts on the environment.

(ix) Consistency with applicable coastal zone management programs. Copies of all consistency certification provided to affected States with approved coastal zone management programs.

(x) Contact. The name, address, and telephone number of an individual em-

ployee of the lessee to whom inquiries by affected States may be directed.

(2) The lessee shall submit a sufficient number of copies of each Environmental Report (Development/Production) to permit the Supervisor to transmit a copy to the Governor and coastal zone management agency of each affected State and to the United States Office of Coastal Zone Management. The Supervisor shall transmit such copies at the same time he transmits copies of the applicable development and production plan. The Supervisor shall also make copies of the Environmental Report (Development/Production) available to the public in accordance with the Freedom of Information Act.

§250.34-4 Compliance with the National Environmental Policy Act (NEPA).

(a)(1) Prior to approval of a proposed exploration or development and production plan, or approval of significant revisions to approved exploration or development and production plans under subsections 250.34-1(i) or 250.34-2(j), the Supervisor shall prepare an Environmental Assessment, in accordance with applicable policies and guidelines, to determine whether the proposed activities constitute a major Federal action significantly affecting the quality of the human environment requiring preparation of an Environmental Impact Statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). In his assessment the Supervisor may utilize information contained in the lessee's Environmental Report.

(i) In his assessment of whether an Environmental Impact Statement is required, the Supervisor shall give particular attention to:

(A) Location of major Structures in areas of high seismic risk or seismicity;

(B) Location of major structures within or near the boundary of a marine sanctuary, wildlife refuge or other areas of high ecological sensitivity.

(C) Location of bottom-founded structures in areas of potentially hazardous natural bottom conditions; and

(D) Use of new and/or unusual technology.

(ii) An Environmental Impact Statement shall not be prepared when the Supervisor determines that the impacts of activities described in the Proposed plan or revision have been adequately considered in a previous Environmental Impact Statement. In this regard, the Supervisor shall give particular attention to:

(A) Whether implementation of the activities described in the plan or revision would require construction of new onshore processing, storage, treatment, or transportation facilities which could have significant adverse impacts upon the human, marine or coastal environments that have not been adequately considered in a previous Environmental Impact Statement; and

(B) The likelihood of adverse impacts on the human, marine or coastal environments that differ significantly in magnitude, duration, or nature from the impacts considered in a previous Environmental Impact Statement.

(iii) The Supervisor's assessment of whether or not to prepare an Environmental Impact Statement shall be reviewed by the Director and the Director may reverse the Supervisor's determination. The Supervisor shall transmit copies of the final Environmental Assessment to the affected States.

(b) Where it has been determined that an Environmental Impact Statement will be prepared, the Director shall decide whether the Statement will cover the activities described in a single proposed development and production plan or in a number of such plans covering an area of the OCS where there is a likelihood of significant development.

(1) The Environmental Impact Statement shall cover the activities described in two or more proposed development and production plans when:

(i) No additional lease sale Environmental Impact Statement evaluating the cumulative impacts of development and production for the area is being prepared or is planned for preparation within the next two (2) years.

(ii) At least one exploratory well has been completed in at least sixty-six percent (66%) of the significant geologic structures known to exist at the time of the lease sale or sales applicable to the area; and

(iii) The total potential production of oil and gas from the area exceeds or is expected to exceed existing and planned onshore processing, storage, treatment, and transportation facilities.

(2) If an Environmental Impact Statement is to be prepared for more than one plan, and only one plan is pending for approval, the lessees of tracts on which oil or gas, or both, have been discovered in paying quantities, and which are adjacent to or nearby the area covered by the pending plan, may be required to submit preliminary descriptions of their development and production plans pursuant to subsection 250.34-2(c) of this Part.

(3) If it is decided to prepare an Environmental Impact Statement for a proposed development and production plan or plans, the Supervisor shall not approve any activity described in such plan or plans prior to completion of the review process, if that activity would:

(i) Have a significant adverse environmental impact, or

(ii) Foreclose prematurely the subsequent adoption of alternatives to the proposed plan or plans which might have less environmental impact.

[FR Doc. 78-2437 Filed 1-25-78; 12:26 pm]

[4310-31]

PART 252—OUTER CONTINENTAL SHELF (OCS) OIL AND GAS INFORMATION PROGRAM

AGENCY: U.S. Geological Survey, Interior.

ACTION: Final rule.

SUMMARY: This Part supplements the procedures contained in Parts 250 and 251 of this Chapter for the submission of oil and gas data and information resulting from exploration, development and production operations on the Outer Continental Shelf (OCS) to the Director, U.S. Geological Survey. In addition, this Part establishes procedures for the Director to make available summary reports of this data and information to the Governors of affected States and upon request to interested local government executives, consistent with the exemptions of the Freedom of Information Act.

These regulations are intended to aid in the implementation of President Carter's directive of May 23, 1977, to:

Develop regulations, operating orders, and lease provisions specifying the information required from industry about offshore and onshore impacts of prospective OCS development.

EFFECTIVE DATE: January 27, 1978. See Supplementary Information below.

FOR FURTHER INFORMATION CONTACT:

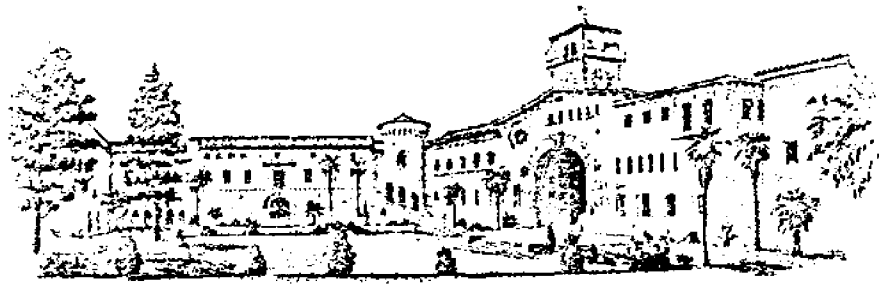
Russell G. Wayland, Acting Chief, Conservation Division, U.S. Geological Survey, National Center (Mail Stop 620), Reston, Va. 22092, 703-860-7524.

Authors: Hope Babcock, Office of the Assistant Secretary—Energy and Minerals, U.S. Department of the Interior; Charles Hardee, Office of the Solicitor, U.S. Department of the Interior; Gerald Rhodes, U.S. Geological Survey, U.S. Department of the Interior.

SUPPLEMENTARY INFORMATION:

In accordance with the provisions of the Administrative Procedure Act (5 U.S.C. 553(d)) the Secretary of the Interior has determined that it is in the public interest for these regulations to become final on publication. This determination is based on the need to have the regulations effective at the time of the next sale of OCS oil and gas leases. The North Atlantic OCS Lease Sale (Sale No. 42) is scheduled to take place on January 31, 1978.

A-7



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Project Manager

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Santa Barbara, Calif. 93101
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COUNTY OF SANTA BARBARA
OFFICE OF AIR QUALITY PLANNING

June 12, 1978

Secretary Cecil Andrus
Department of the Interior
C Street between 18th, 19th Streets, N. W.
Washington, D.C. 20240

Dear Secretary Andrus:

This letter responds to your Call for Nominations for Lease Sale 53, issued in November of last year. I would stress that the lack of adequate environmental and resource information on the Call Area make specific nominations difficult. This Board, anticipating the difficulty of developing nominations or holding a lease sale without adequate information, requested that Sale 53 be removed from the leasing schedule. We now renew this request.

The Board has approved the attached Technical Report detailing Santa Barbara County's negative nominations. Briefly, the Board has negatively nominated all tracts offshore of Santa Barbara County for the following reasons:

1. Failure of the Department of Interior to demonstrate a need for Sale 53 production. The proposed lease sale will aggravate the existing surplus of oil on the west coast. Holding a second lease sale offshore Santa Barbara County is especially premature because of the large number of undeveloped lease tracts remaining in the Channel.

2. Air Quality Impact. Prevailing wind patterns in the proposed lease area will bring emissions from offshore operations into the County's airshed and further aggravate Santa Barbara's problems in meeting the National Ambient Air Quality Standards.

3. Navigation Hazards. Location of platforms in the shallower areas off Point Sal and Point Arguello, or on the Santa Lucia Bank will pose a hazard for ships from San Francisco entering the north Channel Shipping lanes. Additional tankers generated by Sale 53 production will

4. Interference with the Proposed Marine Sanctuary. Santa Barbara County's Marine Sanctuary proposal extends into the Sale 53 area. Leasing and development will complicate management of the Sanctuary, if designated, and will threaten the Channel Islands habitats with oil pollution.

5. Possible Damage to the Transition Zone. The existence of a major biologic transition zone in the Channel centered on Point Conception and extending two degrees north and south is now recognized. The zone defines the overlap of the Californium (warm water southern ecosystems) and the Oregonium (cold water northern ecosystems) ecologies. The northeast channel in the proposed lease sale areas is one of the few places in the world where this occurs and has given rise to many unusual "short-range endemic" species not found elsewhere.

   Development of the proposed lease area will lose forever our opportunity to study and understand this phenomenon.

   We have also identified certain tracts in the Call Area for special consideration in your decision to withdraw tracts from Sale 53:

   1. Santa Lucia Escarpment
   2. Santa Lucia Bank
   3. Arguello Slope
   4. Nuclear waste dump area (west of the Escarpment)
   5. Pacific Missile Range
   6. Ocean Shrimp Resource Area (identified by BLM off Pt. Sal)
   7. All deepwater tracts (excess of 400 meters)
   8. Three-mile coastal buffer zone

The Technical Document locates the nominated tracts and provides justification for both the general and the specific negative nominations.

We thank you for this opportunity and look forward to your action.

Sincerely,

Robert Kallman
Chairman, Board of Supervisors
County of Santa Barbara

RK:AFR:PHH:bh
enc.

NORTHERN CALIFORNIA

REGIONAL STUDIES PLAN

FISCAL YEAR 1979

Prepared by the

Pacific OCS Office
U.S. Department of the Interior
Bureau of Land Management
1340 West Sixth Street
Los Angeles, California 90017

Under the Guidelines of the

STUDY DESIGN FOR RESOURCE
MANAGEMENT DECISIONS: OIL AND GAS
DEVELOPMENT AND THE MARINE ENVIRONMENT

July 15, 1978

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PREFACE

This document is a regional program plan for the Bureau of Land Management's (BLM) outer continental shelf (OCS) studies program in northern California for FY 1979-80. For this plan's purposes, northern California is defined as extending from Point Conception to the California-Oregon border. This regional studies plan considers environmental and socioeconomic issues, questions and studies related to federal OCS marine minerals development. This plan was prepared by the BLM's Pacific Outer Continental Shelf Office staff with input, review and comment by state and federal agencies, local governments, the scientific community, industry, and the interested public.

This regional plan is prepared as a continuing draft plan that will be reviewed annually on a regular basis to solicit continual public, governmental and scientific review and comment. This plan's intention is to provide the public with information on BLM's study program and to show how sutdies for this region are developed from issues and decision-makers' questions concerning OCS leasing and development. The Pacific OCS office encourages readers to submit comments on this plan to:

Manager, Pacific OCS Office
Bureau of Land Management
1340 West Sixth Street
Los Angeles, California 90012

The approach taken in this plan is based on Study Design for Resource Management Decisions: Oil and Gas Development and the Marine Environment prepared by the BLM Director's ad hoc Advisory Group on OCS studies. This document was released in May, 1978 and copies of this document are available through the Pacific OCS office. The following discussion presents a synopsis of the principal findings of this national document.

1. Objectives and Approach. The purpose of environmental studies about OCS oil and gas development is "to establish information needed for prediction, assessment, and management of impacts on the human, marine, and coastal environments of the Outer Continental Shelf and nearshore area which may be affected ..." (Federal Register 43: 3893).

The approach adopted leads to the development of specific studies from the OCS management steps before the Department of the Interior. This approach examines: the management steps; the technologies they control; the ensuing impacts; relevant management questions; and the use of these considerations in developing individual study designs.

2. Decisions. There are fourteen steps in the management of submerged federal lands for minerals development. They include: tentative scheduling, call for nominations, tentative tract selection, preparation of environmental statements, draft Secretarial Issues Document (SID) and preliminary notice of sale, final SID, final tract selection, notice of sale, sale and leases issued, exploration plan and drilling permit evaluation, transportation management plan evaluation, development and production plan evaluation, pipeline permit issuance, lease termination or expiration. A step may be either a decision itself or the aggregation of information that leads to a decision. Each step can potentially be served by study activities.

The studies are mandated to serve all the steps in the management process even though a significant number of the steps or decisions are reached by agencies other than the Bureau of Land Management. The dispersion of responsibility requires that the BLM studies be commissioned and completed in a way that will make results available to other agencies in the Department of Interior.

The nature and magnitude of onshore impacts are more readily predicted once the size of the offshore oil and gas resource is known. Therefore, development and production plan

evaluations with their concommittant transportation plan evaluations will be important targets for environmental study activity.

The tentative scheduling of an area for OCS leasing is a major decision in that it establishes the resource use conflict by identifying the potential new use (oil and gas extraction) that will possibly conflict with previous uses. Thus, studies concerning the resource use conflicts may be profitably undertaken prior to the scheduling of a specific geographic area.

To be relevant, studies must serve decisions. For that reason the agenda for decisions in a specific geographic area is also an agenda for information needs and consequently studies. However, initiation of the studies shall precede the anticipated decision by the time it will take to initiate, complete, and use the results.

Due to the sequence of steps in the management process the time available for studying impacts is much greater than that for the initial leasing. Past data show an average time of approximately three years from tentative scheduling to the actual lease sale. Three additional years may pass before development and production plan evaluation and transportation

plan evaluation are complete. As a result, the time available for studying onshore impacts is about twice that of offshore impacts under current operating conditions.

Two recent sets of regulations specify what environmental information is to be sought and how it is to be used at the development and production plan evaluation stage. These regulations require various environmental studies throughout the leasing and development process. They also describe lessee reporting procedures and Departmental use of the reports for development and production plan approvals (43 CFR 3301.7 and 8; 30 CFR parts 250 and 252).

OCS orders have as one of their mandates protection of the environment.

Suspension procedures may be invoked to protect the environment.

3. Technology and Impacts Each operational phase of OCS oil and gas development implies a specific technology or activity. That activity is the source of a pollutant or agent that may cause an impact on the environment. The generic relationship between the operational phase and the potential impacts ensuing from it is a basis for study design.

Successive decisions in a specific geographic region more narrowly define and limit the types of technology or equipment that could be employed in subsequent operations. Subjects for study are consequently limited in scope as steps are passed, but the quality and specificity of the information required grows.

Similar impacts may result from different technologies which are triggered by separate steps or decisions. Most studies, to be most effective, will be targeted on more than one specific decision.

4. Information Needs and Study Examples. At each step of the OCS management process a variety of resource use conflicts are encountered. The decision to proceed with one resource use in the presence of others will implicitly result in trade-offs between potentially conflicting activities. The purpose of pursuing basic management questions concerning major multiple use conflicts is to make these trade-offs explicit prior to the time the decision is made. Consequently, the basic management questions serve to further define the information needs that the studies must address.

To focus the studies, several multiple conflicts have been formulated. At the center of this approach are two questions:

What is expected reduction in benefits derived from man's use of the environment due to the major multiple use conflicts of the proposal? Can this loss be minimized by mitigating measures? The specific use conflicts with oil development are identified to include fishing, recreation, onshore infrastructure, ecological relationships, air and water quality, archaeological and historic resources, and shipping.

Some information needs (such as arctic operations, subsea completions, general effects of oil, and modeling of onshore impacts) relate to many decisions in several geographic areas. Therefore, a series of national studies would best meet these needs.

Topics for regional studies are determined by:

(1) examining the decisions that are likely to be made in a specific geographic area both in terms of their content and timing;

(2) ascertaining which technology or technologies they control either directly or indirectly;

(3) reviewing the generic impacts associated with the technology;

(4) considering those potential impacts in a resource management framework through the decision maker's questions.

(5) identifying what part or parts of the information needed is not currently available; and

(6) describing the specific topic.

Regional study plans are most effective if they are developed from a set of common principles that result from OCS management steps. Ultimately the public issues and scientific details unique to an individual region must be developed by individuals in that area.

5. Program Implementation. The individual studies to be commissioned in a region will be determined through the application of the national plan (Study Design for Resource Management Decisions: Oil and Gas Development and the Marine Environment). BLM staff will prepare the regional plans with input from and review by the public, local government, state government, and the scientific community. The process will be completed by July 15. The resulting regional study plans will be reviewed and updated as required.

The internal organization of the Bureau is currently under review. A redesigned studies program may require shifts. All the studies relating to offshore, nearshore, and onshore environmental effects whether scientific or socio-economic may more efficiently be located in one unit.

Under federal procurement regulations statements of work determine the flexibility inherent in the contract. The requirements preclude the degree of flexibility that is normally associated with a grant. For BLM to issue grant monies or program announcements, a legislative change may be necessary.

Federal coordination occurs on at least two levels. One is the coordination of federal agency resource management actions or decisions. The other is the coordination of research and study activities likely to serve these decisions.

CHAPTER I. INTRODUCTION

A. Authority. In 1953, the Outer Continental Shelf (OCS) Lands Act (67 Stat. 462) was passed, establishing Federal jurisdiction over the submerged lands of the continental shelf seaward of state boundaries. The Act charged the Secretary of the Interior with the responsibility for the administration of the mineral exploration and development of the OCS, and empowered him to formulate regulations to meet the provisions of the law. The Secretary of the Interior designated the Bureau of Land Management as the administrative agency for leasing submerged Federal lands, and the Geological Survey for supervising production.

In 1969, the National Environmental Policy Act (NEPA) was implemented. This Act requires all Federal agencies to utilize a systematic, interdisciplinary approach that would ensure the integrated use of the natural and social sciences in any planning and decision-making which may have a significant impact on the human environment. The BLM's response to this mandate takes the form of comprehensive Environmental Statements (ES), based upon information compiled during the phases of the Bureau's Planning System. However, because

the OCS is a frontier area with relatively little prior resource development, it became necessary to establish a Marine Environmental Studies Program which would actively seek out information gaps, and through a concerted effort of study, provide an adequate data base upon which to make sound management decisions. Since its inception in 1973, this program has evolved into its present concept of providing "information needed for prediction, assessment and management of impacts on the human, marine, and coastal environments of the Outer Continental Shelf and nearshore areas which may be affected by OCS oil and gas activities in such area or region ..." (43 CFR 3893).

Early in 1978, the Bureau commissioned an Ad Hoc advisory committee of distinguished science-policy representatives to prepare a national plan for continued marine environmental studies. Their program, adopted by the Bureau and the Department of the Interior's OCS Advisory Board on April 29, 1978 mandates the development of studies based upon issues which affect the decision making process. A major tenet of this document is the recognition that each OCS field office is uniquely capable of coordinating with state, municipal, and local scientific communities in order to identify pertinent regional issues. Thus, the Pacific OCS Office has prepared this Regional Studies Plan for northern California.

B. GOALS

BLM's OCS studies goals as defined in 43 CFR 3301.7 (January, 1975) and in the national studies plan are:

> ". . .to establish information needed for prediction, assessment, and management of impacts on the human, marine, and coastal environments of the Outer Continental Shelf and the nearshore area which may be affected by oil and gas activities in such area or region."

The studies are designed to:

1. "provide information on the status of the environment upon which the prediction of the impacts of Outer Continental Shelf oil and gas development for leasing decisionmaking may be based,

2. provide information on the ways and extent that Outer Continental Shelf development can potentially impact the human, marine, biological, and coastal areas,

3. ensure that information already available or being collected under the program is in a form that can be used in the decisionmaking process associated with a specific leasing action or with the longer term Outer Continental Shelf minerals management responsibilities, and

4. provide a basis for future monitoring of Outer Continental Shelf operations."

In addition, this regional plan's goals are to:

1. Inform the public on the status and future scheduling of BLM's OCS leasing and studies activities in northern California for FY 1979-80.

2. Provide a framework for developing studies from critical northern California issues and concerns related to federal OCS leasing and development activities.

3. Identify regional issues and associated decision-makers' questions related to federal OCS leasing and development decisions for northern California in FY 1979-80.

4. Involve the public; local, state, and federal agencies; the scientific community; and industry in identifying issues for northern California and in reviewing and commenting on issues, questions, and studies developed for northern California for FY 1979-80.

5. Describe a procedure for annual review and update of this regional plan based on continuing public and scientific comments.

6. Identify BLM studies products and results available for northern California and how they can be obtained.

7. Justify BLM's budget to Congress for studies in northern Calfiornia for FY 1979 and in subsequent years on an annual basis in successive plans.

To place BLM's studies program in context, it is important to realize that the results of environmental assessment and study activities are only one set of facts or information involved in decision making at each step in the OCS management process. For example, decisions are made with the best available environmental information balanced against other issues such as national energy requirements and political concerns. The main purpose of the studies program is to ensure that the environmental information is the best appropriate information available at the time for each management decision step.

C. Approach. Individual studies are generated as the culmination of a three-step process.

1. First, major issues and related sub-issues represent those decision-level considerations relevant to the OCS program mandate. The fourteen major decision-making steps, from issuance of the tentative sale schedule through lease expiration or termination, are fully described in Appendix A of this plan. The Bureau's studies program recognizes two general categories of issues. The first category addresses national issues that are common to more than one region and relate to fundamental information gaps recurrent in several decisions.

Examples of such transcending concerns include the effects of oil on aquatic ecosystems, modeling of social and environmental impacts, and oil production in new environments. These nationally-relevant issues will be designed and administered by the BLM's Branch of Environmental Studies, with the assistance of all field offices and any necessary outside consultation. The second broad category addresses local or regional issues. These issues have been identified and coordinated by each OCS field office directly with affected state and municipal governments, regional representatives of other Federal agencies, the local scientific communities, and the public. This latter category includes all issues and related sub-issues germane to a specific region, and may be subject to frequent revision. Issues, by definition, fluctuate with changes in public opinion, political exigencies, acquisition of data, and State or Federal legislation. In general, all OCS development-related issues may fall within one or more of six items of concern:

1. Environmental factors or degradation;
2. Aesthetics and "quality of life";
3. Socio-Economic infrastructure;
4. Cultural/Archaeological resource impacts;
5. Multiple-use or resource conflicts;
6. Politico-Legal factors

Each regional plan must identify major issues pertinent to its jurisdiction, and the northern California Regional Plan recognizes eight specific concerns. These are elaborated in Chapter III.

Sub-issues are those categories within a major decision-level issue which address specific disciplines or areas which relate to interim questions or information needs. Thus, a sub-issue identifies a component discipline of a broad issue or one which may apply to a localized area.

In response to a request by the Pacific OCS Office, the State of California has identified a steering committee of four representatives to provide continuing review and input into the Regional Studies Plan. County and municipal organizations are encouraged to become actively involved in the process by coordinating their concerns through this committee. The committee presently consists of:

James Davis, State Geologist, Resources Agency
Peter Douglas, Deputy Commissioner, California Coastal Zone Commission
Allan Lind, Governor's Office of Planning and Research
Dwight Sanders, State Lands Commission

Mr. Lind has been designated as the contact for municipal and regional governments.

Two preliminary meetings addressing the California Regional Studies Plan have been held between representatives of the State of California and the BLM. Other Federal agencies also participated in the second, Regional Coordination Conference, held in Los Angeles on May 19, 1978. Minutes of these meetings are included in Appendix B of this plan.

2. Once issues are identified, the second step of the process provides for analysis of each issue or sub-issue in terms of its significance to a decision-maker's question. Each concern is reviewed through a matrix of questions in six categories, as follows: Type of Conflict; Cause; Importance to Decision at Hand; Information Base/Existing Conditions; Utility of Information; Priority. The result of the review is a ranking, in order of priority, of the concerns. Each question identified in Step 1, when assessed in this manner, reveals its objective significance, which in turn establishes its relative merit for further investigation by the studies program. As the National Plan makes clear, there is a continuum of three levels of information needs related to the hierarchy of decision-makers. At the top level is a requirement of policymakers to recognize those issues which

could affect goals, policies, or programatic schedules. At the other extreme are those highly-technical or scientific questions which arise out of gaps in the data base, and relate to specific questions of impact. Between the two lie issues and questions relating to mid-level management or the local application of higher policies. There is no definable demarcation between levels. In general, however, the levels are related to policy development, policy implementation, and information collection. The "priority" classification is necessarily a subjective value assigned by the BLM, although in order to obtain a consensus of respect among reviewing agencies, it must be tied to a schedule of the decision process.

3. The significant questions developed in the first two steps must be addressed in terms of scientific and technical feasibility. In some instances, information necessary to address an issue may already exist, but may be in the wrong format, or may need to be summarized or interpreted. Where information does not exist to address an issue, a study program may be proposed. Because of the direct applicability of each study effort, each study proposal must be evaluated in order to assure that the work is not only of high scientific caliber but that reasonable expectations of success could be

made within the time frame required. This eliminates from active consideration any "basic" research without specific application, or any applied research or development which would obviously require multi-year commitments of time and funding.

After preliminary design and review of proposed study programs by BLM scientists in the OCS field offices and in Washington, each office is responsible for ensuring sound technical review by leading scientists in the region concerned. Pertinent proposals are circulated to such other federal science agencies (U.S. Geological Survey, Fish and Wildlife Service, National Park Service, Environmental Protection Agency, National Oceanic and Atmospheric Administration, etc.) for critical evaluations. The Pacific OCS Office also actively solicits individual reviews by university, state, and industry scientists.

This sequence of detailed reviews will ensure that all study concepts merit formal submission. The Bureau's annual research appropriation may then be developed based upon an existing and planned need.

D. Study Program Procurement. While the Bureau of Land Management encourages all resource agencies at the state and Federal levels to use the Regional Studies Plans in identifying their own study programs, all funds administered by the BLM in this program are allocated through a rigorous justification sequence. In general, there are two avenues by which a study program may be contracted: in response to a Request for Proposals issued under the guidelines of the Federal and Interior Procurement Regulations; and in response to an Unsolicited Proposal submitted by a qualified applicant. While a more complete discussion of the procurement process may be found in the National Plan, it may be useful to summarize the steps here.

1. Nearly all the Bureau's environmental studies will be procured as a result of the Request for Proposals (RFP). After a Statement of Work (definition of research objectives, methods, and schedule) is developed, a RFP is issued by the Branch of Contract Operations in Washington inviting technical proposals. Submission requirements are detailed in each RFP. All proposals are reviewed in accordance to a list of evaluation criteria published in the RFP by a select panel of BLM and outside scientists. The best qualified proposal is awarded the contract.

2. The RFP process notwithstanding, the Bureau also encourages any qualified individual or organization to submit Unsolicited Proposals for consideration on technical and programatic merits. In order for such a proposal to be acceptable, it must be of outstanding scientific quality and must further demonstrate that the offeror is uniquely qualified to conduct the study. Naturally, it must address one or more specific needs of the Bureau's OCS decision-making process. All unsolicited proposals should be sent to the Branch of Contract Operations in Washington.

A-9

COUNTY OF SANTA BARBARA

ALBERT F. REYNOLDS
Acting Director

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DEPARTMENT OF ENVIRONMENTAL RESOURCES

February 28, 1978

Mr. Peter Tweedt
Department of Interior
312 North Spring Street, Room 506
Los Angeles, Ca. 90012

Dear Mr. Tweedt:

Thank you for the Executive Summary of the Air Quality Analysis of the Southern California Bight in Relation to Potential Impacts of Offshore Oil and Gas Development prepared by AeroVironment for use in assessing the air quality impacts of Lease Sale 48 in the Draft Environmental Impact Study (DEIS). We appreciate this opportunity to provide early input and response for use in drafting the DEIS.

We have reviewed the Summary and, based on its description of the assumptions, data, methodology and conclusions of the study, have found it to be completely inadequate as a basis for the DEIS sections on air quality impacts of Lease Sale 48. Our finding is based on serious flaws in the assumptions used in projecting emissions for OCS activities and alternatives, as well as in the scope and conclusions of the study. We have not yet reviewed the full report and therefore do not address purely technical questions in our findings.

Briefly, the major flaws in the report that we found to invalidate its appropriateness in the DEIS are:

1. The AeroVironment study ignores the significance of the impacts of Lease Sale 48 as required by the Clean Air Act. The Clean Air Act Amendments of 1977 and the State Implementation Plan (SIP) requirements of the California Air Resources Board (CARB) require local nonattainment areas to submit an enforceable plan for reducing or offsetting emissions in their jurisdictions to meet the National Ambient Air Quality Standards (NAAQS) promulgated by EPA by 1982, or if a waiver is approved for oxidant or carbon monoxide, by 1987. Failure to do so will result in EPA sanctions, including the loss of Federal grant assistance. The significance of Sale 48 emissions is its contribution to episodes of violation of the NAAQS by local jurisdictions in oxidant nonattainment areas.

AeroVironment has limited its findings of the air quality impacts of Lease Sale 48 to the projection of a slight increase (.003ppm) in ozone concentrations in the region. The study does not project the contribution of Lease Sale 48 emissions to violations of the NAAQS within jurisdictions of local nonattainment areas. NEPA requires a description of the significant impacts of major federal actions. The

violations of NAAQS by local nonattainment areas due to Sale 48 activities are the significant impacts, not the regional increase in concentrations of ozone. The AeroVironment report is incomplete until it describes the significant impacts of the Lease Sale 48 activity emissions on the local level.

Additionally, the conclusions of the AeroVironment study ignore the impacts of Lease Sale 48 emissions under the Prevention of Significant Deterioration (PSD) sections of the Clean Air Act. Section 110 (a)(2)(J) of the Act prohibits approval of an SIP that does not meet the requirements of Part C of the Act relating to the prevention of significant deterioration of air quality in Class I areas. The pollutants for which the PSD requirements are imposed are sulfur oxides and particulates. Section 163 (b)(1) of the Act defines increments of maximum allowable increases in concentrations over the baseline concentration for both sulfur oxides and particulates for Class I areas. The DEIS must specify projected violations of PSD requirements in Class I areas in the region (as defined in the November 3, 1977 Federal Register), quantify the incremental increases in concentrations of these pollutants, quantify the degree of violation of the NAAQS, and examine the appropriate regulatory measures.

It is imperative that the Department of Interior realize that Santa Barbara County is in a nonattainment area so designated by the California Air Resources Board, approved by EPA, as mandated for oxidant by the Clean Air Act. If the County exceeds the NAAQS just twice in any one calendar year for continuous periods of one hour or more after 1982 (or 1987 if a waiver is granted by EPA for oxidant attainment of the standards), it could be subject to very costly EPA sanctions. The alternative to EPA sanctions is a revision of the attainment plan by the County to identify, mitigate and offset emissions from the OCS activities in Federal waters. This, however, is not possible unless BLM in the DEIS identifies the contribution of OCS activities in Federal waters to each county's exceedance of the NAAQS. Additionally, at this time the APCD's and the CARB's authority to control emissions in Federal waters is under legal challenge by Exxon. This question of enforceability must be resolved before the final EIS is released or the lease sale held.

Further modeling of the episodes of violation of NAAQS caused by Lease Sale 48 activities subsequent to the implementation of local air quality attainment plans must be undertaken to determine the significant impacts of Lease Sale 48. This step will be necessary for drafting of the SIP and the PSD plan provisions required for counties in nonattainment areas. Without further investigation and modeling, the conclusions of the report are incomplete and the DEIS cannot meet the standards of NEPA.

2. Conflicts with the Clean Air Act Permit Requirements. Section 176(a)(3)(c) of the Clean Air Act Amendments of 1977 prohibits Federal agencies from issuing permits or licenses that would conflict with the SIP as approved by the EPA after July 1979. The conclusion of the AeroVironment study, that the major significant impacts on air quality of Lease Sale 48 is an increase in regional ozone concentrations means that this must be offset or mitigated at the regional level in the SIP. This will require an SIP that relies upon legally enforceable CARB and County APCD New Source Review regulations controlling emissions from tankers and platforms operating in Federal waters, an authority which is being challenged by Exxon as noted above. The alternative is the issuance of lease stipulations by the Department of Interior that are found to be enforceable and adequate by the EPA for reducing emissions to concentrations with NAAQS, and that will prevent any violations of the standards within the jurisdictions of the local nonattainment areas.

Failure of BLM to impose lease stipulations approved by the EPA for use in the SIP will prevent the USGS from issuing permits for platforms or other facilities in OCS waters after 1979. Any such permits that are issued in the absence of an approved SIP, or failure of the DOI to enforce the stipulations that continuously monitor and control OCS emissions, will result in a violation of the Clean Air Act by the Secretary, and possible violations of the NAAQS by counties in affected nonattainment areas, resulting in withdrawal of Federal grants and other sanctions. It is imperative that the DEIS and the Department of Interior recognize that violation of NAAQS due to emissions from Lease Sale 48 activities in Federal waters which cannot be mitigated or offset by the attainment plan could result in direct impacts in the form of Federal sanctions and grant withdrawals.

3. The study fails to compare tanker and pipeline alternatives. Although the use of the "100% tanker" and "normal tanker" scenarios claims to compare the two modes of transporting oil, this in fact is not the case. The OCS activity scenarios provided to the consultant by the BLM in May, 1977, compare the effects of pipelining it to shore. They do not compare the effects of tankering oil from processing plants to refineries with the effects of moving it through a new onshore pipeline system. The AeroVironment study, based upon the BLM activity scenarios, avoids this comparision by assuming that all oil will be moved to refineries by ship.

The failure of the BLM to specify this alternative in its May, 1977, memo to AeroVironment is puzzling. Santa Barbara County first proposed such a pipeline alternative in 1975, and in December of 1976 sponsored the first meeting of the Joint Industry/Government Pipeline Working Group to study its feasibility. Secretary Andrus was informed of the County's wish to explore the onshore pipeline alternative in a letter sent on January 17, 1977. William Grant represents the BLM on the Working Group, has attended its meetings, and has copies of the Group's reports which include discussions of the reduction in emissions possible with the pipeline alternative.

It is crucial that the DEIS recognize that the major significant impacts of oil transportation occur during loading of tankers at onshore processing plants for shipment to refineries and that these emissions can be reduced by a factor of 10 by a pipeline alternative.

We recommend that your office incorporate the findings of the Working Group in an amendment to the study by modeling a comparison of tankering processed oil with the alternative of moving it through an onshore pipeline. Without such an amendment, the study cannot be used to satisfy the requirements of NEPA.

4. The study fails to consider realistic mitigation measures as required by NEPA. The AeroVironment Summary section on mitigation measures limits itself to suggesting the installation of vapor balance recovery systems, gas blanketing equipment, and a nebulous offset program characterized as "inexpensive" because of the limited significance of the Lease Sale 48 air quality impacts.

While we endorse continued efforts to control tanker and processing emissions through the use of abatement equipment wherever possible, the technologies suggested by the Summary have not been demonstrated to be safe, economic, and effective in all cases, and their use is opposed by the oil and shipping industries. Additonally, the BLM as lead agency does not have the authority to mandate the use of this equipment. The more practical and immediately available mitigation measures of pipelining the processed oil to refineries, production constraints, use of area-wide tanker strategies,

partial tanker filling, limitation of processing to existing facilities - all recommended by the Office of Planning and Research - have been ignored. We also feel that environmental monitoring programs of regions such as the Santa Barbara Channel are essential to identify and abate future pollution incidents.

The Bureau is obligated under the provisions of NEPA to consider mitigation measures that are within its scope of authority, and are practical and possible. The measures suggested above should be described and their cost and effectiveness quanitfied and related to specific impacts of the Lease Sale.

The suggestion of the study that an inexpensive emissions offset program can be introduced regionally demonstrates a lack of understanding of the complexity, expense and feasibility of even local offset programs. Offset programs will be addressed by local air quality attainment plans, but regional air quality impacts cannot be addressed without more detailed definition and quantification by the BLM in the DEIS.

5. Assignment of major air quality impacts to onshore processing rather than to tanker loading. The conclusions of the Summary that the major impacts on air quality from Lease Sale 48 are associated with shore-based processing plants contradicts the findings of studies of air quality impacts of OCS activity in the Santa Barbara Channel performed for Santa Barbara County and the Office of Planning and Research, and frankly is not credible. We also reject the implied conclusion that these will be insignificant in the South Central Coast Basin due to the assumption that Lease Sale 48 will not generate requests for new expanded processing facilities in Santa Barbara County.

Studies detailed in Offshore Oil and Gas Development: Southern California and in other documents have identified tanker loading as the major contributor to local and regional ozone concentrations from OCS activities. AeroVironment apparently reached its conclusion through the use of regional modeling of diffused emissions, rather than through a calculation of the number of tanker loadings in various locations and the amount and frequency and dispersion of the emissions.

Remodeling of emissions from tanker loading and comparison to processing emissions will require projection of possible new or expanded processing on the Santa Barbara Coast as a result of Lease Sale 48. Information as to sites for possible new or expanded processing facilities can be obtained from the Local Coastal Planner in the County Planning Department.

In addition to the points listed above, we also found that the lack of new data in the study (despite the finding by OPR that the available data base for air quality impact analysis is not adequate for the Channel), failure to model Lease Sale 53 impacts, and the lack of consideration of New Source Review for offshore structures and activities also contributed to the shortcomings of the AeroVironment study.

We look forward to reviewing the full report so that we may assist you through the identification of technical issues it may raise. In the meantime, we strongly urge that your office correct the deficiencies we have noted and complete the additional work suggested above.

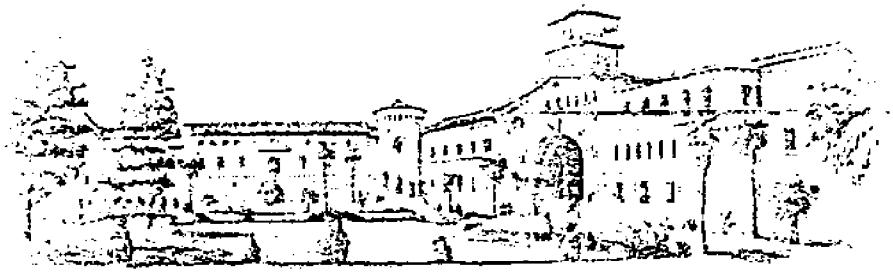
Thank you again for this opportunity to assist you in environmental assessment of Lease Sale 48.

Sincerely,

John English
Air Pollution Control District Director

Albert F. Reynolds
Department of Environmental Resources
Acting Director

AFR:JE:PHH:bh



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COUNTY OF SANTA BARBARA
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April 3, 1978

Mr. William E. Grant
Department of Interior
Pacific OCS Office
7127 Federal Bldg.
300 N. Los Angeles St.
Los Angeles, Ca. 90012

Dear Mr. Grant:

At a joint Federal/State/ local staff meeting on OCS Sale 48, Monte Jordan of your office requested recommendations from Santa Barbara County concerning consultants and tasks for inclusion in the air quality impacts section of the DEIS on Lease Sale 48. We are pleased to cooperate with your office in this endeavor by recommending the following three highly qualified air pollution and meterology specialists:

North American Weather Consultants
Santa Barbara Municipal Airport
Goleta, California 93017

Mission Research Corporation
735 State Street
Santa Barbara, California 93102

ERT, Inc.
2030 Alameda Padre Serra
Santa Barbara, California 93103

Additional tasks necessary to adequately assess the air quality impacts of Lease Sale 48 are:

1. Modeling of projection of Sale 48 operation's (including transportation) contribution to local air quality and to episodes of local violations of the National Ambient Air Quality Standards. This will require close cooperation with local APCD's and staff of Air Quality Maintenance Planning efforts to ascertain projected pollutant concentration levels exclusive of Sale 48 operations.

2. Assessment of impact of Sale 48 operations (including all tanker loading and unloading) on the proposed Class I area of the Channel Islands National Monument, as required by the Prevention of Significant Deterioration Sections of the Clean Air Act.

   This will require quantification of the incremental increases in concentrations of sulphur oxides and particulates exceeding the maximum baseline concentrations of these pollutants in the proposed Class I area.

3. Mitigation measures to insure compliance with NAAQS and Clean Air Act, including modeling of the reduction of emissions possible through use of an onshore pipeline to transport processed oil to market or vapor recovery to accomplish 95% recovery of reactive hydrocarbons.

4. Modeling of mitigation measures recommended by OPR in Offshore Oil and Gas Development: Southern California, i.e.: Partial tanker filling, limitation of production, limitation of processing to existing facilities.

5. Reassignment of major air quality impacts to tanker loading and unloading, instead of the onshore processing. This will require use of the latest findings of tanker emissions documented by the CARB (see also the LNG Pt. Conception application and EIR), and remodeling of tanker emissions with more accurate tanker data and Channel oil characteristics.

6. New source review of sources comparable to that required onshore with legally enforceable trade offs, air quality impact analysis on Santa Barbara or adjacent counties, and utilization of lowest achievable control technology for new sources emitting more than five pounds per hour of air containments.

The Board of Supervisors appreciates this opportunity to assist your office in fulfilling its responsibilities under NEPA, and looks forward to release of the DEIS and a revised air quality impact assessment.

Sincerely,

Robert Kallman, Chairman
County of Santa Barbara
Board of Supervisors

RK:AFR:PHH:bh

COUNTY OF SAN DIEGO

Integrated Planning Office

PAUL C. ZUCKER
Assistant Chief
Administrative Officer
Integrated Planning

County Administration Center, 1600 Pacific Highway, San Diego, California 92101 ... Telephone: 236-4587

July 11, 1978

Mr. Harold Martin
Manager, Pacific OCS Office
U.S. Department of the Interior
Bureau of Land Management
300 No. Los Angeles Street, Room 7127
Los Angeles, CA 90012

SUBJECT: Comments on Preliminary DEIS on Lease Sale No. 48

Dear Mr. Martin:

Thank you for the opportunity to review the preliminary version of the DEIS. We are hopeful that this preliminary review process will result in a comprehensive DEIS that will meet the needs of all affected federal, state, and local agencies.

The following comments have been prepared jointly by staffs of the County of San Diego, Comprehensive Planning Organization, and the City of San Diego. It is anticipated that many of these comments can be incorporated into the official DEIS. Additional comments will be submitted to you when the final DEIS is published.

General Comments

1. The first major concern regarding the PDEIS is that its bulk and style would preclude reasonable review and comment by the public. Subsequent drafts should have a digest which would be readable and understandable to the average citizen.

   In our March 22, 1977 memo, we requested summaries by county describing the impacts on a local level.

   Because of the complexity of issues and the geographic area covered in the proposed lease sale, such local summaries are necessary for citizens to thoroughly understand the proposal and its potential impacts.

Because information is frequently broken out by county and tract area in the text, this format should facilitate preparation of county summaries. Although information is frequently broken out by county in the text, often the discussion for San Diego County contains passages that "impacts are similar to those discussed in Santa Barbara County above," (e.g., pages 832, 853, 861, 914, 925, 997, 1088). Such passages defeat the purpose of separate sections because the reader is forced to refer back to other discussions. Another disadvantage to the present format is the loss in specificity by the reference to "similar" impacts which are not necessarily identical.

2. The charts are frequently and unnecessarily confusing in format. Abbreviations are not explained and in many cases could be written out for additional clarity. For example:

   a. Tables III A (1-6) defines "M" as 1,000 in the footnote and uses "MM" as another abbreviation. Since the abbreviation is only used in the column headings, it should be written out. In the same chart, platform sewage is measured in "ga/day," which is not self-explanatory to all readers.

   b. Tables III A. 4.b. iv-1 through iv-9 do not define the abbreviations: Segment No. (21-32); P-1 through P-23; or even what unit are the numbers within the matrices.

   c. The chart "Ranking of Source Areas," page 1010, should describe what "P, E, T, and L" stand for and describe the significance of the numbers inside the matrix.

3. This PDEIS does not provide a description of the specific environmental impacts that may result from Sale 48, findings as to the significance of those impacts, nor measures proposed to mitigate those specific impacts. The document appears to provide discussions of categories of impacts and mitigation measures only. We would suggest that the text of the draft EIS be revised to include discussions of the specific impacts and the associated findings of significance, and the proposed mitigation measures in addition to the other mandatory sections.

Specific Comments

III. Environmental Impact of the Proposed Sale

1. On page 629, it is stated that "With the exception of the Dana Point-San Diego proposed sale area...all oil and gas exploratory and development activities for the proposed sale area will be completed and over 90 percent of the resources will be depleted by the year 2000. The Dana

Point-San Diego sale area oil and gas reserves may be 76 percent depleted by the year 2000." This raises two questions:

a. Why is the San Diego-Dana Point area expected to take longer to explore and/or develop?

b. The reference to "resources" in other areas and "reserves" in the Dana Point-San Diego area is confusing. It would be more clear to use the same terminology consistently throughout the DEIS.

2. It is noted that the tract area resource estimates have been revised since the first two chapters were published. All charts and figures should be made consistent throughout the DEIS.

3. The discussion of "onshore support bases and terminal" (page 657, Part D) too quickly dismiss the impact of operational bases. The possibility of the Port at San Diego as a potential location for an onshore support facility requires further analysis. The assessment that onshore support base "could temporarily disturb normal onshore activities" does not suffice as an assessment of the project. Even single-day events are frequently analyzed for environmental impact; the utilization of a facility for a year, with its associated hydrocarbons, noise and solid waste, certainly deserves more elaboration.

The assertion that only four temporary operational bases would be needed for the lease sale needs justification. Later in the text (page 1110) it is stated that "No onshore facilities are projected for this (Dana Point-San Diego) area as a result of the proposed action. A common scenario should be utilized throughout the DEIS. A complete discussion is needed of the anticipated supply and demand for permanent service bases, repair and maintenance yards, steel platform fabrication yards, concrete platform fabrication yards, steel platform installation service bases, pipeline installation service bases, pipe coating yards, partial processing facilities, gas processing and treatment plants, marine terminals, and refineries. The discussion should include any new transportation schemes which will be needed to service a frontier area such as Dana Point-San Diego, such as relocation of oil spill containment equipment to this vicinity.

4. In Chapter III of the Preliminary DEIS it is anticipated that a 10,000 barrel barge would be utilized for the transportation of crude oil from the Dana Point-San Diego tracts to Long Beach. All three transportation scenarios utilize a tanker for the Dana Point-San Diego area. Why was there no alternative to utilize pipelines, in view of the anticipated air pollution problems associated with tankering in this area?

This section should analyze the number and frequency of small spills as well as large ones since in a nearshore area, small spills are also a significant hazard to people, vessels and the shoreline.

5. The discussion of oil spill cleanup capability (pp. 731-738) did not mention the fact that additional oil spill cleanup capability would be required in San Diego if the Dana Point-San Diego tracts are retained. The three existing equipment stations described in the DEIS all belong to the U.S. Navy. It is inappropriate for private enterprise (oil companies) to rely on the Federal Government to protect the environment from oil drilling operations.

   The comment (p. 731) that "It can be safely assumed that between the time of an OCS spill and the time that it would probably reach shore, 50 percent of it would disappear due to weathering of the oil" must be questioned for the nearshore tracts in Dana Point-San Diego because they are only six to eighteen miles from the shore. Similarly, the assertion that another 50 percent of a spill could be recovered by oil spill equipment before reaching shore is questionable. The capability of diverting the oil to less damaging locations from tracts six to eighteen miles offshore must also be explained. To date there has been no testing of oil spill behavior in the Southern California area. The Southern California Petroleum Contingency Organization is proposing just such a project to test dispersants and clean-up techniques. Until such tests are conclusive, there must be some reservation on our part regarding the probabilities of oil reaching the shoreline or being diverted. Finally, the environmental impact of the use of dispersants must be discussed here. Later in the text, on page 1085, it is stated that the past use of detergents has exceeded the damage from the spilled oil itself.

6. The section (pp. 750-769) which outlines the shoreline segments, significant areas within segments and categories of impact is inadequate. It should describe the impacts rather than naming the types of impacts.

7. The section entitled "Preliminary Implications" (page 769) is not descriptive enough. "The oil spill trajectory model shows a wide range of impacts from insignificant to quite significant on a large number of shoreline segments and at sea resource categories" offers no useful conclusion. Similarly, the assertion that "if offshore development does not occur, a similar impact will occur from the oil that must be imported in its place" assumes one particular alternative scenario to lease sale 48. Since the total estimated 20 year production from Sale 48 will amount to only 25% of one year's total U.S. import of oil, it is doubtful that replacement of the expected Sale 48 production from other sources would result in significant impacts to the Southern California Bight.

The biggest objection to this section is the conclusion, which is highly significant, yet is buried here in the text. This statement is a conclusion of major importance. "It appears, then, that primary emphasis to minimize environmental impact as a result of oil spills would not be to eliminate tracts or tract groupings from the potential Lease Sale No. 48, but to concentrate on safety and mitigating measures such as an adequate oil spill response capability." This statement does not logically follow this section of the text because later in the text (Chapter VIII: Alternatives to the Proposed Action), the discussion of the possibility of deleting certain tracts is analyzed. At no point in the section preceding this statement is the significance of deleting only certain groups of tracts discussed.

8. The comment that the entrances to rivers and bays in San Diego County, except San Diego Bay, are narrow and relatively easy to prevent oil from entering (page 925) should be expanded to describe the types and locations of equipment which will be stationed in the vicinity to accomplish the protection from oil. Given the close proximity of the proposed tracts to the shoreline, the response time to block these entrances must be discussed. Further, the fate of the exception, San Diego Bay, should be described.

9. Summary conclusions such as "The total numbers of many species which live on or utilize the (Tanner-Cortez) banks could decrease significantly" (page 937) should be highlighted in a "conclusions" section. Similarly, the need for additional research on public health effects of food contamination and food web magnification (pp. 944-947) is a significant impact which should appear in the "conclusions".

10. It is stated in the DEIS that significant short-term impacts on the commercial fishing industry could result from a catastrophic spill (page 997). This impact should be described in dollars.

11. The summary statement (page 1002) that "the cumulative impacts of oil spills would be the greater frequency of large spills, although their effects would be tempoary in nature" seems to be a roundabout way of saying "there are no cumulative effects of oil spills". Later in the text, it is asserted that "The long-term, chronic impacts from major and minor spills predicted over the 25-year production life of this proposed sale are unknown". (page 111). These statements must be reconciled. The statement that "Probably the greatest long-term impacts would result from the cumulative effects of additional temporary or permanent structures and their space configuration" is highly confusing. This sentence does not describe any impacts, it merely points to the existence of the structures as causing an impact. A more descriptive conclusion is needed.

12. The statement (page 1006) that it is doubtful that spilled oil would penetrate very far into Mission Bay needs justification.

13. On page 1025, the emissions are estimated for Liquefied Natural Gas projects at Point Conception and Oxnard. The situation on siting LNG should be monitored to see whether alternative sites should also be assessed.

14. The sections on impacts on Recreation and Tourism are not specific enough. What percentage of the beach, boating, etc., visitors are out-of-state or out-of-region visitors who would then take their tourist dollar elsewhere? What would be the loss per visitor per day in that case? In other words, what is the risk to the tourist industry in Southern California (high end and low end)?

    Also, it is not enough to dismiss the impact by saying that people would go to the mountains, or other beaches. Although they might do so, this would entail costs (travel, air pollution, etc.) and losses to local tourist businesses. These should be clearly specified.

15. The discussion of aesthetics (pp. 1153-1165) does not point out the simple reality that aesthetic impacts would be extremely severe for the Dana Point-San Diego tracts, far greater than for any other area, because (a) this is a frontier area, (b) all of the proposed tracts are within 6-18 miles of the shoreline and are visible throughout the year, (c) this is not a heavily industrialized area presently, and (d) the direction of wind currents creates a significant air pollution problem.

    The lack of sensitivity to aesthetics is apparent in the following statements:

    a. The statement is made on page 1156 (Aesthetic Values) that (...vessel losses not producing damaging oil spills would produce relatively little visual impacts as shipwrecks are generally accepted as an expected part of the ocean scene when they rest in the surf zone." The County of San Diego does not consider shipwrecks lying in the surf zone as an acceptable (and certainly not pleasing) part of the coastal/beach scene.

    b. On page 1169 it is stated: "The placing of platforms on tracts nearer to shore may affect the visual environment". The existence of an oil rig three miles from shore will <u>certainly</u> impact the visual environment.

16. Economic Impacts

a. It would be helpful to have more information about the Curtis Harris Model to compare it to the existing economic impact and forecasting models for San Diego County. Although the numbers do not seem out of line (for population, employment, and GRP), more information would be necessary to evaluate these impact assessments.

b. The PDEIS did not discuss in sufficient detail and analyze potential loss of tourism because of the visual degradation, odor, noise, emissions and structural hazards created by drilling platforms and associated vessels. The concerns expressed by the United States Navy are also of similar concern to the sportfishing, commercial fishermen and recreational boating and other water related businesses and recreational interests in this area.

c. The increase in employment for San Diego County (page 1185) shows 171 for platform fabrication. Does this mean that a platform fabrication yard is projected to be placed within the County? This is not mentioned anywhere else in discussions of onshore impacts. The increase of 135 State and local government employees must be modified in light of reductions in government since the Jarvis-Gann Initiative.

d. Compensation in Case of a Pollution Accident: Information pertaining to compensation to local governmental agencies, businesses and industries is woefully inadequate. Suits by the State and City and County of Santa Barbara resulting from the 1969 blowout required 5 1/2 years of litigation and hundreds of thousands of dollars in costs before settlement was reached.

17. The discussion of State and local government finances (pp. 1199-1210) must be completely revised to reflect Jarvis-Gann changes. The deficit of $5 million in five southern California counties cannot result in increases in property or sales taxes as suggested on page 1199. The implications of increased local government costs cannot be considered "minor".

IV. Mitigating Measures

Part A, Regulation Enforcement

1.b Pacific Area OCS Order No. 2 - Offshore Operations: Many factors relating to potential accident are left to the discretion of drilling supervisors. Insufficient training or qualification requirements for operating personnel have been established. Human error and non-compliance with existing regulations are major concerns.

2. Part B, Stipulation No. 6 - the requirement for utilizing pipelines rather than tankers is too loosely worded.

The third criterion which must be satisfied for the government to require pipelines reads as follows: "In the opinion of the lessor, pipelines can be laid without net social loss, taking into account any incremental costs of pipelines over alternative methods of transportation and any incremental benefits in the form of increased environmental protection or reduced multiple use conflicts".

The costs and benefits of pipelines cannot be totally quantified, as the Department of Interior admits elsewhere in the DEIS. The benefits which are considered should not be limited to environmental protection but should include consideration of environmental quality. That is, if an increase in air pollution due to use of tankers remains within allowable limits, it still despoils the air quality. The existence of tanker traffic also diminishes environmental quality.

This stipulation should be revised to specify that for all tracts in the Dana Point-San Diego area, pipelines will be required.

3. Part C.3. Onshore Facilities: A stipulation should be specifically added that onshore facilities will be consistent with State and local plans and will be subject to the California Environmental Quality Act.

4. Part D.5. Waiver of OCS Orders: A requirement should be added to notify State and affected local governments when waivers of OCS orders have been requested and the disposition of those requests.

5. Part D.7. Conservation Practices: Unitization: This discussion does not constitute a requirement for unitization; it merely describes the advantages and states that it is "usually required" for secondary and tertiary recovery. Specific requirements for unitization and for reviewing development plans on a cumulative basis should be written.

V. Unavoidable Adverse Effects

1. The statement is made on page 1257 that impacts upon endangered whales from oil spills "...will remain moderate to minor..." However, on page 906 (Impacts) it is indicated that increased nearshore activity is interfering with whale migration, and that "...forcing them further offshore could have serious implications". Since California Gray Whales annually migrate near the San Diego coast, and Sale 48 will result in increased nearshore activity (Dana Point/San Diego) to include the construction of drilling platforms, we suggest that the discussion on page 1257 be expanded to include the impacts of nearshore activity on migrating whales.

2. The discussion of "Impacts by Area" on pp. 1271-1272 and pp. 1274-1275 are puzzling. Are these supposed to refer to losses due to oil spill potential or general recreational and aesthetic impacts? Without a heading these sections are puzzling.

   For the Dana Point-San Diego tracts, recreational losses and aesthetic losses, whether or not spills occur, must be considered to be significant because of increased air pollution and alteration of a presently undeveloped area.

3. The draining of State resources discussed on page 1278 is not an "unavoidable" adverse effect. A buffer zone should be maintained between federal and State waters sufficient to protect State resources.

VI. Relationship between Short-Term Use and Maintenance and Enhancement of Long-Term Productivity

This section should discuss the long-term advantages of retaining the oil and gas resources for future uses on the west coast after the Alaskan oil and gas supplies are depleted.

VII. Irreversible and Irretrievable Commitment of Resources

1. Section VII, F, Human Resources, states that the historical mortality rate has been 38% for accidents associated with offshore drilling operations, but then states that only 2 or 3 deaths are expected out of some 940 accidents over the life of the project. Why is this statistic different from the historical record?

2. It is stated on page 1282 that the primary efficiency of oil production "...has historically been about 25 percent..." Please indicate whether the 715 million barrels most probable resource estimate is 25% of the total oil present or if what will be recoverable is 25% of the 715 million barrels figure.

VIII. Alternatives to the Proposed Action

1. Alternative 1: Establish 3/4 mile buffer zone around State oil sanctuaries
   Has it been established that a 3/4 mile buffer zone is sufficient to protect both rookeries and oil and gas resources in State waters? A buffer zone is needed of sufficient size to protect State resources and to protect against future "drainage tract" sales to avoid encroachment of development on the rookeries and into State waters.

2. Alternative 3: Delete Dana Point-San Diego area:

The discussion should emphasize the fact that this is a frontier area, having relatively low resource estimates and high sensitivity to the impacts of OCS development due to prevailing winds and the proximity of the tracts to the shoreline.

In addition, it should be pointed out that deleting these tracts will assure that conflict with extensive existing military operations will be avoided.

Because of the significance of this section to the San Diego region, we request to assist the Department of Interior in rewriting this section for the DEIS and for summarization for the Program Decision Option Document.

3. Alternative 7: Processing Facilities in San Diego County:

The proposed action for this DEIS is the lease sale itself. The possibility of a processing facility in San Diego must be considered as a potential impact of the lease sale, not an "alternative to the proposed action". The comment that a gas processing facility could be supported by lease sale number 48 indicates that this potential situation should be analyzed in the discussion in Chapter III as an onshore impact.

4. Alternative 9: Delete San Pedro, San Diego-Dana Point:

The discussion of CPO's Marine Sanctuary nomination is misleading and does not reflect the policy information recommended in the draft nomination document. CPO has not recommended deletion of the San Pedro Tracts from the Lease Sale. The San Pedro tracts are included in our recommended nomination area but there is no recommendation that these tracts be deleted. CPO has recommended that oil and gas development be prohibited in the twenty-six tracts which comprise the Dana Point/San Diego group. A copy of CPO's final Marine Sanctuary report will be forwarded to the Department of Interior when it has been prepared.

5. Alternative C: Delay the Sale

This discussion does not point out the areas in which additional research is needed to assess the impacts of the lease sale. such as the cumulative impacts of oil spills and the impacts of oil on food web magnification. It also does not discuss alternative forms of energy which may be developed to offset the need for these energy resources.

6. Alternative D: Withdraw the Sale

The paragraph on alternative energy sources is unbelievably cursory and pessimistic. It clearly displays lack of consideration of this alternative.

This section should be rewritten to incorporate an analysis of Alternative F, Alternative Energy Sources.

We disagree with the statement on page 1358 that all tracts included in this proposed sale will provide a significant addition to national domestic oil production, and that withdrawal of tracts in the sale would necessitate escalation of imports of oil and gas. The entire estimated 20-year production from Sale 48 (715 million barrels) would provide only 10% of one year U.S. current demand for oil (19 million barrels per day). The Dana Point/San Diego total annual production for the peak year 1986 would provide only 0.04% of total annual U.S. oil demand or 15% of the total U.S. demand for one day. Considering the impacts on imported oil, the total estimated 20 year production from Sale 48 would provide only 25% of one year's U.S. import demand (7.7 million barrels per day). We feel that this information should be presented in the discussion of the withdraw the Sale alternative to properly evaluate the alternative.

General Conclusions

After reviewing the information provided in the PDEIS, we conclude and recommend that the Dana Point-San Diego tracts be deleted from further consideration in lease sale No. 48, for the following reasons:

1. The preliminary resource estimates for these tracts are extremely low and would not make a substantial contribution to national energy needs. In the San Diego region, the opportunity for the development of alternative forms of energy is significant since the climate lends itself to the development of solar energy.

2. The U.S. Navy utilizes the Dana Point-San Diego tract area extensively and submitted extensive negative nominations within this area. The Navy operations are extremely important both to the national defense capability and to the local economy.

3. Because of the proximity of these tracts to the shoreline, impacts onshore would be extensive, including oil spill potential, air pollution impacts, aesthetic losses, and other impacts. This frontier area has been nominated as a marine sanctuary in which oil and gas development activities would be prohibited.

4. This proposal would result in deficit financial impacts to local governments in San Diego.

If you wish to discuss any points in this letter, feel free to contact the primary staff contacts: Joan Werner, County of San Diego (714-236-4847),

Jack Koerper, CPO (714-236-5337) or Jim Gleason, City of San Diego (714-236-5775). We hope this preliminary review stage of the DEIS proves helpful.

Sincerely,

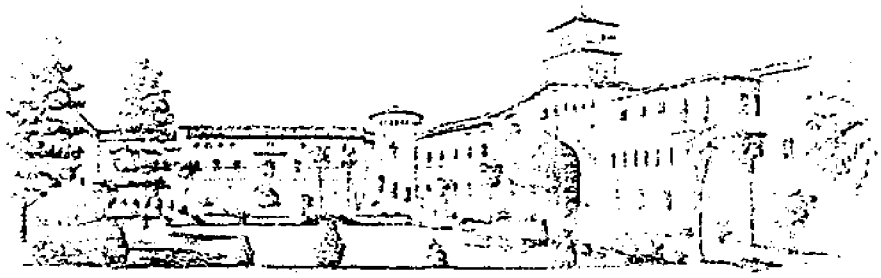
PAUL C. ZUCKER
Assistant CAO
Integrated Planning Office

ART LETTER
Director,
Intergovernmental
Relations

JAMES GLEASON
Director,
Environmental
Quality Division

PCZ:LS:jh

cc: Peter L. Tweedt, U.S. Dept. of the Interior, Office of the Secretary
Cmdr. Phillip C. Johnson, Marine Sanctuaries Program, Office of Ocean Management, U.S. Dept. of Commerce
Richard Grix, OCS Task Force, State Office of Planning and Research
Mark Pisano, Southern California Association of Governments
Al Reynolds, Environmental Quality Coord., County of Santa Barbara
Mayor Herv Sweetwood, City of Del Mar
Paul Bussey, City Manager, Carlsbad; Attention: Frank Mannen
Lane Cole, City Manager, Chula Vista; Attention: James Peterson
Warren Benson, City Manager, Coronado; Attention: Jack Lohman
Gloria Curry, Acting City Manager, Del Mar; Attention: Bill Healy
City Manager, Imperial Beach; Attention: James Butler
Harry Gill, City Manager, National City; Attention: Malcolm Gerschler
Daniel E. Stone, City Manager, Oceanside; Attention: Louis Lightfoot
Paul Robinson, Mayor's Office, City of San Diego
Diane Barlow, Office of the County of San Diego Board of Supervisors
Bruce Warren, Executive Director, San Diego Regional Coast Commission; Attention: Daniel Gorfain
Richard Sommerville, Air Pollution Control District
Don Nay, Director, San Diego Unified Port District; Attention: Tomas Firle
Max Schetter, San Diego Chamber of Commerce
Molly Jean Featheringill, San Diego Ecology Center
Dr. Philip Pryde, Dept. of Geography, San Diego State University
Gordon Gastil, Chairman, City of San Diego Offshore Oil Committee, Department of Geology, San Diego State University
Lois Ewen, Vice Chairman, State Coastal Commission
Cmdr. Carlson, Naval Air Station, North Island
State Coastal Commission



A-12

COUNTY OF SANTA BARBARA
BOARD OF SUPERVISORS
105 East Anapamu Street
Santa Barbara, California 93101

April 3, 1978

Secretary Cecil Andrus
Department of the Interior
C Street between 18th, 19th Streets, N.W.
Washington, D.C. 20240

Dear Secretary Andrus:

The Board of Supervisors of Santa Barbara County request that you delay the scheduled date of Lease Sale 48 for one year. The Board is requesting the Sale delay to allow the Pacific Outer Continental Shelf Office of the Bureau of Land Management to complete additional studies necessitated by numerous deficiencies identified in the Preliminary Draft DEIS Chapters I and II and in the work of BLM's air quality consultants. We are also requesting the delay to allow Commerce Secretary Kreps time to consider our nomination of the unleased tracts remaining in the Channel for Marine Sanctuary Status under Title III of the Marine Protection, Research, and Sanctuaries Act of 1972.

Fundamental assumptions used in the air quality impacts analysis need to be re-examined in light of the 1977 Clean Air Act Amendments. Additional modeling is necessary to assess the use of onshore pipelines, rather than tankers to move processed oil to refineries. The contribution of OCS operations to local violations of National Ambient Air Quality Standards must also be projected. Additional data on the meterology of the Southern California Bight area must be collected before an adequate impact assessment can be attempted.

Additionally, the Marine Environmental Study Program for the Southern California Outer Continental Shelf Area, begun two years ago by the BLM, has been halted for a refocusing to insure that the information it generates is useful for Federal decision-making in the OCS. A delay in the Lease Schedule would allow time to redesign the study for use in Sale 48 decisions.

We note that numerous leased tracts remain unexplored in the Santa Barbara Channel and elsewhere in the proposed Sale 48 area guaranteeing a supply of offshore tracts for exploration and production until 1981 or later. We also note that the California Energy Commission in its recent annual report predicted that the current surplus of oil on the West Coast, recognized in the President's National Energy Plan, will persist

until 1985 or later. Inasmuch as OCS Sale 48 tracts are projected to begin production in 1981, holding the sale as scheduled can only contribute to this projected surplus. We join the Governor's Office of Planning and Research in rejecting the assumption that Sale 48 oil will replace foreign oil. Northern Tier refiners outside of California cannot accept the heavier, higher sulfur California crude oil, and California refiners have been shutting in domestic production instead of reducing imports to accomodate Alaskan oil. This practice is harmful in the long run to nation's energy supply because of the technical and economic difficulty of reactivating the secondary recovery process in the shut in wells. Production from Sale 48 tracts may only aggravate this problem.

Delay of the Sale at this time will also enable the California Coastal Commission to complete the California Coastal Plan, based on the local coastal plan of Santa Barbara County and other jurisdictions, prior to leasing.

The supervisors and citizens of Santa Barbara County realize their obligations to responsibly contribute to the nation's energy supply within the framework of a national energy program. This request for a one year delay in Lease Sale 48 reflects our desire to meet that responsibility and to insure that the full range of resources in the Santa Barbara Channel are managed for the greatest benefit for the nation and for the future generations.

We look forward to your reply.

Sincerely,

Robert Kallman, Chairman
County of Santa Barbara
Board of Supervisors

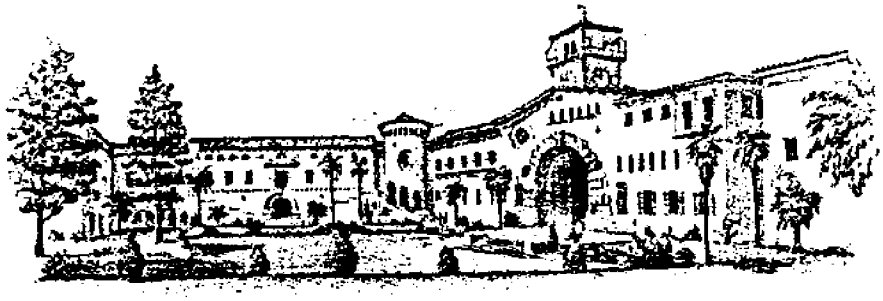
RK:AFR:PHH:bh

cc: Peter Tweedt, Dept. of Interior
William Grant, BLM
Allan Lind, OPR
Bill Ahern, California Coastal Comm.

COUNTY OF SANTA BARBARA

ALBERT F. REYNOLDS
Director

105 E. Anapamu St.
Santa Barbara, Calif. 93101
Telephone 966-1611



DEPARTMENT OF ENVIRONMENTAL RESOURCES

April 11, 1978

TO: Honorable Board of Supervisors

FROM: Albert F. Reynolds
Director, Department of Environmental Resources

RE: Inclusion of Onshore Pipeline Option in Lease Sale 48 DEIS

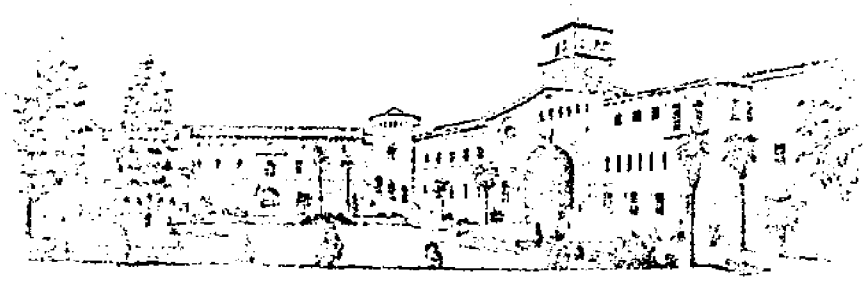
Recommendation

That your Board approve and transmit the attached letter to Frank Gregg, Director of the Bureau of Land Management (BLM), requesting inclusion of the proposed onshore pipeline option from Santa Barbara to southern California refineries in the "Description of the Proposed Action" Section of the Lease Sale 48 DEIS, or to delay the release of the DEIS until feasibility studies on the pipeline are completed.

Background

The BLM assumes in the preliminary chapters of the Lease Sale 48 Draft Environmental Impact Statement (DEIS) that all oil will be moved from the Santa Barbara Channel area processing facilities to refineries via tanker. The Pacific Outer Continental Shelf Office of the BLM is reluctant to consider an onshore pipeline as an additional option for moving such processed oil. This reluctance is based on the failure of the U. S. Geological Survey (USGS) to recognize an onshore pipeline as a "legitimate proposal" or as a "viable option" for oil transportation. Complete consideration of the pipeline as an alternative will require additional time and study, which the BLM does not feel it has the time to complete before the scheduled release date of the DEIS on Lease Sale 48. The BLM intends to discuss the pipeline in the "Alternatives to the Proposed Action" Section of the DEIS, where it would be covered in a few paragraphs along with other alternatives.

The BLM claims the pipeline is not a "viable proposal" although there is no current proposal for the use of the assumed tankers. Your Board stated its belief on December 13, 1976, in Resolution 76-636 that Santa Barbara offshore crude oil should be transported by onshore crude oil pipelines rather than by marine tankers. The onshore pipeline has been further recommended by the Board of Supervisors of Ventura County, the Governor's Office of Planning and Research and the Coastal Commission. Additionally, the pipeline is needed to implement the consolidation mandate of the Coastal Act, Section 30261, and



COUNTY OF SANTA BARBARA
BOARD OF SUPERVISORS
105 East Anapamu Street
Santa Barbara, California 93101

April 17, 1978

Mr. Frank Gregg, Director
Bureau of Land Management
18th & "C" Sts., N. W.
Washington D. C.

Dear Mr. Gregg:

The Board of Supervisors of Santa Barbara County, after staff receipt and review of the Preliminary Draft Chapters I and II of the Draft Environmental Impact Statement on proposed Lease Sale 48, and the report, Air Quality Analysis of the Southern California Bight in Relation to Potential Impact of Offshore Oil and Gas Development, completed for the Bureau of Land Management for use in preparing the DEIS, is concerned that the BLM has assumed that all processed oil will be moved from the Santa Barbara Channel to refineries in Southern California only by tanker. The Bureau proposes to compare in the DEIS a "pipeline alternative" to the use of tankers. However, the pipeline scenario assumed by the BLM considers only platform-to-shore movement of crude oil and fails to include the much larger and more significant movement of processed crude oil from onshore treatment facilities to refineries via onshore pipeline.

The Board of Supervisors of Santa Barbara County, by Resolution 76-636, dated December 13, 1976 stated the belief that Santa Barbara Channel crude oil should be transported to market by onshore pipeline rather than by tanker. The Board of Supervisors of Ventura County concurred by Resolution 3.6/17, dated December 21, 1976. Numerous communications to your office, the office of the Secretary, and the BLM have reaffirmed this belief. A Joint Industry/Government Pipeline Working Group is currently examining the feasibility of various pipeline routing possibilities. The staff of the Pacific Outer Continental Shelf Office of the Bureau of Land Management is reluctant to consider the alternative of an onshore pipeline for transportation of oil to market. They point to the transportation scenarios provided them by the U. S. Geological Survey for Lease Sale 48 in which tankering is listed as the only "viable proposal" for oil transportation.

The Board cannot agree with this position because:

(1) there are no existing "proposals" to tanker processed oil from the Channel to market. No requests for facilities to accommodate tankers have been filed by operators.

(2) the USGS does not have either the ability or the authority to "propose" tanker operations. The USGS does not develop or transport oil and gas

nor does it own or operate tankers, nor does the agency have the authority to require a transportation mode prior to the lease sale. It may, by stipulation adopted by the Secretary, require transportation modes, but to our knowledge no proposal to do so exists.

(3) Proposal of a single transportation alternative for moving Lease Sale 48 processed oil to market is premature. Only after leasing and exploration can transportation modes be "proposed" with any certainty by either the USGS or the industry unless legal requirements dictate a particular mode.

(4) However, there is a wealth of documentation supporting an onshore pipeline as a "viable proposal." Such a pipeline may also be the "most probable" method for moving processed crude from the channel to market.
   (a) Santa Barbara County Board of Supervisors first proposed the pipeline by letter to the Secretary of Interior in 1975;
   (b) Santa Barbara County Resolution 76-636, December 13, 1976 stated the belief that oil should be moved by onshore pipeline rather than by tanker;
   (c) Ventura County Board of Supervisors concurred, by Resolution 3.6/17, December 21, 1976;
   (d) A joint meeting of Santa Barbara and Ventura County Supervisors January 31, 1977, created the Joint Industry/Government Pipeline Working Group to ascertain the feasibility of various pipeline routing alternatives. The Department of Interior, the BLM, and the USGS are represented on the Group;
   (e) The Governor's Office of Planning and Research OCS Report recommendation no. 62 specifies an onshore pipeline if technically feasible.
   (f) In March, 1976, the California Coastal Commission proposed an onshore pipeline to permit consolidation of energy facilities as required by State Coastal Policy #82 and the California Coastal Act, Section 30261;
   (g) The County of Santa Barbara and the California Coastal Commission have attached a legally enforceable condition to the permit for expansion of ARCO's Elwood processing facility requiring the use of an onshore pipeline to move processed oil to refineries in southern California, if feasible.

The basis for these proposals for the use of the pipeline as an alternative to tankering are the overwhelming safety and environmental advantages of a land pipeline which include:

(1) Consolidation of onshore operations.
Both the California Coastal Commission and the Governor's Office OCS Task Force have recommended consolidation of onshore processing facilities to reduce coastal land use impacts. Without the onshore pipeline each operator may be expected to develop his own individual separation and treatment facilities for each oil field that he leases, resulting in a proliferation of oil-related development along the coast.

This will violate the California Coastal Plan, and Section 307 of the Federal Coastal Zone Management Act.

(2) Safety and Pollution.
The Governor's Office OCS Task Force has found that pipelines are as much as 7 times less likely to spill oil as tankers. A South Coast onshore pipeline would remove an estimated 200,000 barrels of oil per day by the mid-1980's from the risk of marine spills in the Channel and the Southern California Bight. At least one major spill from Sale 35 production has been projected by the BLM for the Channel. Up to 23 production platforms, LNG tankers, SOHIO tankers, Elk Hills tankers, and Space Shuttle barges have also been projected to add to the background traffic in the Channel, creating navigational and safety hazards. Any reduction of tanker traffic in the Channel by the onshore pipeline will mitigate this dangerous situation and will greatly reduce the incidence of collisions, rammings, groundings and spills in the Channel.

(3) Air Quality.
The mandate of the Clean Air Act Amendments of 1977 that the County must reduce hydrocarbon emissions may only be met by the use of the onshore pipeline. The County Air Pollution Control District estimates that, at a crude oil projected production rate of 200,000 barrels per day by the mid-1980's, tanker loadings of processed oil for shipment to market will add over 2000 tons of hydrocarbons per year to our air basin in the mid-1980's. Both the Santa Barbara and the Ventura County APCD's have stated that the National Ambient Air Quality Standards cannot be met under these conditions. The onshore pipeline will reduce these emissions by a projected factor of 10, the only way we can hope to comply with the Clean Air Act if Lease Sale 48 goes forward.

The Joint Industry/Government Pipeline Working Group is now conducting the necessary feasibility studies on the onshore pipeline. Final reports are due from the Group's consultants by August 1978. The BLM Pacific Outer Continental Shelf Office has indicated its intention to discuss the proposed pipeline in the "Alternatives to the Proposed Action" Section of the DEIS. The Board respectfully requests that the release date of the DEIS be delayed to allow the DEIS to reflect the conclusions of the studies concerning whether the proposed pipeline is actually only an alternative, or in fact is the "most probable" alternative and should replace tankering of crude oil to market in the "Description of the Proposed Action." Alternately, the Board respectfully requests the "Description of the Proposed Project" in the DEIS be rewritten to include the onshore pipeline.

Sincerely,

Robert Kallman
Chairman, Board of Supervisors

RK:cdf
cc: Peter Tweedt, DOI
Bill Grant, BLM
Fred Shambeck, USGS

COUNTY OF SANTA BARBARA

ALBERT F. REYNOLDS
Environmental Quality Coordinator

105 E. Anapamu St.
Santa Barbara, Calif. 93101
Telephone 966-1611

OFFICE OF ENVIRONMENTAL QUALITY

INTRODUCTION TO JOINT INDUSTRY/GOVERNMENT PIPELINE WORKING GROUP

PURPOSE

The Joint Industry/Government Pipeline Working Group has been established to examine the feasibility of a land pipeline alternative to tankers for the transportation of Santa Barbara Channel crude oil production. Such a pipeline, if found to be feasible, would reduce air quality degradation from tanker hydrocarbon emissions and reduce the hazards of tanker traffic in the Channel.

HISTORY

The Santa Barbara Channel has been the site of oil and gas development for many years. Following the disastrous oil spill of 1969, a drilling moratorium temporarily halted this development. After the 1973 energy crisis, this moratorium was lifted and development has once again resumed. A serious consequence of oil development, specifically tanker operations in the Channel, is the release of large quantities of hydrocarbon air pollution. Other adverse effects include the potential for tanker-related oil spills and explosions and the proliferation of required support facilities along the coastline.

In 1975 the County of Santa Barbara first proposed that a land pipeline might be constructed to replace tanker transportation of crude oil. Such a pipeline could mitigate the adverse impacts of expanded oil development in the Channel. In March, 1976 the State Coastal Commission also proposed such a pipeline to permit consolidation of energy facilities as required by the Coastal Act. In December, 1976 the County of Santa Barbara sponsored the first meeting of government and industry representatives to examine the issues of consolidation and the oil pipeline. On January 31, 1977, in a unique joint meeting, the Boards of Supervisors of Santa Barbara and Ventura Counties directed that

under the chairmanship of Albert F. Reynolds, Santa Barbara County Environmental Coordinator, and with full representation from federal, state and local government; industry; and the general public, the Joint Industry/Government Pipeline Working Group should continue its feasibility study of the proposed land pipeline.

PROGRESS TO DATE

The Working Group has examined alternative pipeline routes directly to Los Angeles and indirectly to the San Joaquin Valley where connections could be made to existing lines to San Francisco, future Elk Hills lines to Redlands, and future Sohio (Alaskan oil) pipelines to Texas. It has been established that a Santa Barbara Channel pipeline is technically feasible. The Task Force has determined that the pipeline could potentially reduce oil-related air pollution by up to 90%. It has also obtained industry agreement that vapor recovery system technology will not be available to reduce tanker-related pollution until at least the mid-1980s.

FUTURE TASKS

The Pipeline Working Group is now "detailing" the technical pipeline routing studies. It is turning to the problems of marketing Santa Barbara crude oil. It is examining other national energy resource development plans such as Sohio and Elk Hills to resolve interfacing problems. Finally, it is examining the economic feasibility of the proposed pipeline. Information obtained by the Pipeline Working Group will be used by the Coastal Commission and other government agencies to determine whether or not a pipeline will be constructed.

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COUNTY OF SANTA BARBARA

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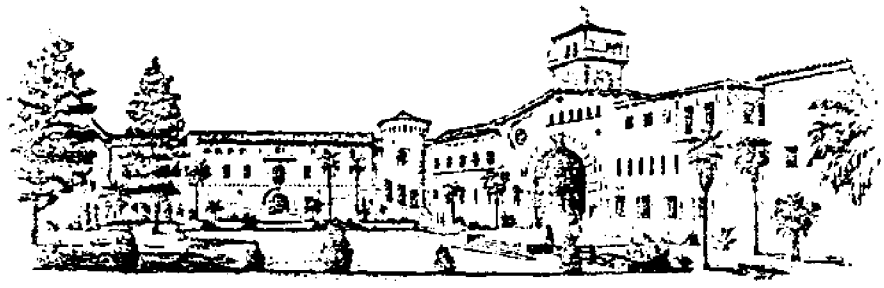

OFFICE OF ENVIRONMENTAL QUALITY

JOINT INDUSTRY/GOVERNMENT PIPELINE WORKING GROUP

MEMBERSHIP LIST

June 23, 1977

Chairman: Albert F. Reynolds, Santa Barbara County Environmental Quality Coordinator

Project Manager: Dev Vrat, Environmental Specialist

FEDERAL GOVERNMENT:

Interior Department: Peter Tweedt, OCS Field Coordinator

BLM: William Grant
USGS: Michael Reitz

EPA: Tom Sudeck
FEA: Judy Plotka, External Affairs Division
USCG: Lt. Klaus Adie, Group Commander
Navy: Joseph W. Lagler, Director, Operations Division
Forest Service: David M. Waite, Lands Officer

STATE GOVERNMENT:

OPR: Allan Lind
State Coastal Commission: William Ahern
Regional Coastal Commission: Tom Zanic
Energy Commission: Bob Shinn, Special Advisor to the Chairman; Rob Solomon
Lands Division: John Messer
PUC: Frederick E. John, Senior Counsel

Caltrans: R. D. Huntwork, Mr. Henry Case
Justice Department: Daniel P. Selmi, Deputy Attorney General
Resources Agency: James W. Rote, Assistant Secretary

LOCAL GOVERNMENT:

Santa Barbara County:

Board of Supervisors: Harrell Fletcher, Chairman
Planning Department: Britt Johnson, Planning Director
APCD: John English, Director
John Laird
Petroleum Department: Ed Feely
County Counsel: Sue Trescher, Assistant County Counsel
OEQ: Al Reynolds, Environmental Quality Coordinator
Dev Vrat, Environmental Specialist

Santa Barbara City:

City Council: Sheila Lodge
EQAB: William Gesner, Thomas Lehman

Carpinteria:

Randy Stoskopf, Assistant Planner

Santa Maria:

Jim Stern, Planner (interim member)

Ventura County:

Board of Supervisors: Ted Grandsen, Chairman
Environmental Resource Agency: Dennis Davis
APCD: Jan Bush, Karl Krause, Bill Thuman

San Luis Obispo County:

Board of Supervisors: Kurt Kupper, Chairman

CITIZEN REPRESENTATION:

Cong. ~~Senator~~ Lagomarsino: Michael Wooten
Senator Cranston: L. C. Haas
Senator Rains: Margaret Overbey
Assemblyman Hart: Naomi Schwartz

Sierra Club and GOO!	Stephen Boyle
Coast Watch and League of Women Voters	Ann Marsak
Ventura County:	Phil White
UCSB:	A. H. Schuyler

INDUSTRY:

Exxon:	Albert Kidd
Arco:	Jack Hundley
	Rich Solomon
	Richard J. Chamberlain
Standard:	D. T. Magee
	Willard Knupp
Aminoil:	R. C. McClymonds
Union:	Roy W. Martens
Getty:	R. A. Griffeth
Texaco:	Fred Ashford, Jr.
Phillips:	B. C. Piester
Mobil:	J. B. Goza,
	Bill Fritz
Shell:	C. S. Bennett
Gulf:	H. L. Strider
Sun:	G. E. Robbins
Cabot:	M. E. Smith
Marathon:	B. L. Walters
Pauley:	J. B. Anderson
Continental:	Dave Dooley
SPRR:	John F. McAllister
Southern California Gas Company:	Stan Lassere
SOHIO:	Charles Greenberg
P G & E:	Wayne Barbarick

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WHY AN OIL PIPELINE?

Dev Vrat
Pipeline Project Manager

Pipeline Study

In a unique joint meeting of the Boards of Supervisors of Santa Barbara and Ventura counties on January 31, 1977, the Joint Industry/Government Pipeline Working Group under the chairmanship of Albert F. Reynolds was directed to continue its feasibility study of a land pipeline to replace tanker transportation of Santa Barbara Channel produced crude oil. The evidence from numerous environmental reviews and evaluations at all government levels supports pipelines as safer and less polluting than tanker transportation of crude oil. There are several areas where pipelines can be used to mitigate the adverse effects of oil related developments.

Consolidation

Both the Coastal Commission and the Governor's Office of Planning and Research OCS Task Force have recommended consolidation of oil facilities as a strategy to reduce the number of facilities required to retrieve offshore oil and gas. Without a pipeline each individual oil company can be expected to develop its own separation and treatment facilities, storage tanks and marine terminals for each oil field it leases. Such a development plan could result in a proliferation of oil related developments along the South Coast.

A pipeline constructed along the South Coast to refineries in Los Angeles or San Francisco will enable consolidation of separation and treatment facilities and storage tanks and the complete elimination of oil-filled tankers in the Channel. It is estimated that only one additional treatment plant (Las Flores Canyon) would be required to process all Santa Barbara Channel production.

Safety and Pollution

In less than ten years the Santa Barbara Channel may be a navigational nightmare. Up to 23 fixed production platforms, an offshore LNG terminal, SOHIO tankers (empty), Elk Hills tankers, LNG tankers, Santa Barbara Channel tankers, and background traffic will all converge off our South Coast. In the thick marine fog so familiar to us, accidental collisions, rammings, groundings or explosions with consequent threat to

public health and safety and the related risk of major environmental pollution by oil spills or LNG clouds are all possible. At least one major spill within our Channel has been predicted.

A South Coast pipeline would remove 200,000 barrels of oil per day from the risk of marine spills and eliminate the need of the tanker movements required to transport this oil.

Air Quality

The third aspect of pipelines directly related to the mandate of the AQMP Policy Task Force is the dramatic reduction of reactive hydrocarbon emissions. Every time a tanker is loaded in Santa Barbara Channel crude oil vapor laden with reactive hyrocarbons is displaced and generated into the air we breathe. At the projected production rate of 200,000 barrels of oil per day by the mid-eighties approximately 2,000 tons of hydrocarbons per year will be emitted into our air basin. Both the Santa Barbara County and Ventura County APCD's have stated that federal ambient clean air standards for oxidants cannot be met with any increase of tanker emissions. Use of the pipeline will result in only 200 tons of emissions per year. Tankers represent a ten-fold increase in air pollution over pipelines. Only if pipelines are used for oil transportation can this task force hope to achieve its goal of maintaining clean air.

Vapor Recovery Systems

Optimists have pointed to vapor recovery systems as a technological solution to the problems of tanker emissions. In fact, these systems have not been developed to the point where they can safely be employed on shore-based facilities and furthermore there has been minimal research in offshore vapor recovery systems. Gas inerting systems have similar application problems.

Economics

The air pollution generated by tanker loadings in the Santa Barbara Channel represents a classic example of "external costs" not included in comparative transportation studies by the oil industry. Since there is no economic incentive for the industry to maintain clean air, it is more profitable to transport oil by cheap and dirty tankers than by clean but expensive pipelines. Even if a pipeline were to cost over $100 million it is clearly "economic" if social costs are considered.

One of the purposes of governments, according to economists, is to intervene where the free market fails to operate correctly as in the case of externalities. Only by government intervention can the industry, operating on sound economic theory, be expected to adjust production and operations to adopt unprofitable pollution prevention plans. Hence we find permit conditions, emission taxes and other forms of government regulations. To protect our environment the State of California is presently suing the Federal Department of Interior to block a permit enabling Exxon to by-pass the State Coastal Commission's pipeline conditions by operating in federal waters beyond the three-mile limit.

Implication of OS&T

If Exxon is permitted to process its oil offshore, natural gas will not be recovered but will be reinjected into the ground. Three-quarters of a million dollars per year in county gross property and business inventory taxes will be lost. Finally, Exxon's oil will not be pipelined. Without Exxon, the major producer in the western channel, a pipeline may in fact be uneconomic. Hence the opportunity for comprehensive oil development planning and air quality maintenance will be lost.

UNIVERSITY OF SOUTHERN CALIFORNIA
Institute for Marine and Coastal Studies

Sea Grant • Marine Advisory Services
OCS TRAINING PROJECT
UNIVERSITY PARK • LOS ANGELES, CALIFORNIA 90007 • (213) 741-5902

This Appendix reproduces sections of Santa Barbara and Ventura County planning ordinances concerned with permit procedures for oil and gas facilities.

ARTICLE II DEFINITIONS

Section 1. For the purpose of this Ordinance, certain terms and words are herewith defined as follows:

OIL: Where used in this Ordinance, the word "oil" shall include gas and other hydrocarbon substance.

OIL AND GAS HANDLING FACILITIES. Facilities for the general purpose of separating water and gas (to include the fractionation of propane and butane), removal of impurities, and measuring.

Section 8. M-2 Heavy Industrial District:

8-1 Uses Permitted:

a) All uses not otherwise prohibited by law, provided however that none of the following uses shall be established in any M-2 District unless and until a Conditional Use Permit in each case as provided in Article XI of this Ordinance shall first have been secured for each use:

10) Petroleum refining and by-products manufacture

ARTICLE VI

COMBINING REGULATIONS

Section 1. Oil Drilling Combining Regulations:

1.1 Governing Regulations:

a) No structure used in producing oil, gas or other hydrocarbon substances, or structure accessory thereto shall, within any area subject to Oil Drilling Combining Regulations, be erected, moved, enlarged or rebuilt unless and until a permit as hereinafter specified shall first have been secured therefor. Nothing contained herein shall be construed to relieve any persons, firm or corporation of the provisions of Ordinance No.672 of the County of Santa Barbara or any ordinance amending or superseding said ordinance.

b) Application for a permit for any structure used in producing oil or gas or structure accessary thereto in an area subject to Oil Drilling Combining Regulations shall be made to the Planning Commission and shall be accompanied by such information as may be required by the Planning Commission for an intelligent review of the proposed structure and its use. Permits issued under the provisions of this Article shall be subject to the conditions of Section 1.2 hereof.

c) Notwithstanding the provisions of Section 3 of Article III, district regulations establishing yard requirements for structures appurtenant to oil drilling operations shall not govern over the regulations of this Article.

d) Permits issued under the provisions of this section may include permission to erect, move, structurally alter, enlarge or rebuild any or all structures included in the application.

1.2 Permit Conditions:

Permits issued under the provisions of this Article shall be subject to the following conditions, which conditions are deemed necessary to the safety, health, comfort, convenience and general welfare of persons residing or working in the neighborhood and to the preservation of the value and utility of property and improvements in said area:

a) That no oil or gas borehole shall be drilled within three hundred (300) feet of any State Highway right-of-way line or within a setback of one hundred (100) feet from the right-of-way line of any road shown on any subdivision or record of survey map field in the office of the County Recorder prior to the issuance of a permit for such borehole, provided however that in the event the distance between the right-of-way line of a road and a railroad right-of-way line, topographic barrier or boundary line of an area within which oil drilling is prohibited, is less than 200 feet, such setback may be reduced to not less than 50 feet.

b) That no more than one drilling site shall be permitted for each 10 acres of total land area subject to the O-Oil Drilling Combining Regulations, provided, however, that such limitation shall not apply to the territory within 250 feet of the mean high tide line of the Pacific Ocean. For the purpose of this Section, a drilling site shall be defined as a surface area of not more than one acre within which any number of oil or gas boreholes may be drilled.

c) That within one hundred and twenty (120) days after the drilling of each well has been completed and production started, the derrick and all other drilling equipment shall be removed from the site.

d) That any derrick erected for servicing operations shall be of the portable type, provided, however, that upon presentation of proof that the well is of such depth that a portable-type derrick will not properly service such well, the Board of Supervisors may approve a permanent type derrick. Derricks erected for servicing operations shall be removed upon completion of such operations.

e) That all tools, pipe and other equipment including lease storage tanks, except the derrick or drilling mast, used in connection with production operations shall be screened and the site landscaped, and that such screening and landscaping be approved by the Planning Commission.

f) No piers for oil drilling purposes shall be permitted to be attached to any upland site above the average mean high tide line and no pier approach for such purposes shall be con-

structed on any upland site. Nothing herein contained shall be deemed to limit or control the use for oil and gas drilling and operating purposes of piers and their connecting approaches which are in existence at the effective date hereof.

g) That reasonable fire fighting equipment as required and approved by the County Fire Warden be maintained on the premises at all times during drilling and production operations.

h) Permanent structures and equipment shall be painted a neutral color so as to blend in with natural surroundings.

i) That any scarring of hillsides resulting from construction operation shall be reasonably landscaped or replanted to native shrubs as required by the Planning Commission.

j) That no plant for the refining of petroleum products from such operation shall be permitted.

k) That sanitary facilities be installed if, in the opinion of the County Health Officer, such facilities are necessary, and that such facilities be installed in a manner approved by the County Health Officer.

l) That all drilling and production operations shall be conducted in such a manner as to eliminate as far as practicable, dust, noise, vibration and obnoxious odors. In accordance with the best accepted practices incident to drilling for and production of oil, gas and other hydrocarbon substances.

m) That, in the event oil or gas is not produced in paying quantities all material, equipment and structures used in the drilling operations shall be completely removed from the site and the well properly abandoned within one hundred and twenty (120) days after drilling operations cease.

n) That, after a well has been brought into production, upon completion of drilling, redrilling or conditioning operations, and on abandonment of any well all earthen sumps shall be drained and backfilled level with the natural grade, provided, however, that subject to the above conditions a new sump may be constructed upon resumption of conditioning or redrilling operations.

o) That failure to comply with any of the above conditions attached to the permit for the structure shall result in foreiture to the County of Santa Barbara of the $1,000 bond furnished to the County under Ordinance No. 672 or any amendment thereto,and the principal and/or surety shall pay to the County of Santa Barbara the sum of $1,000 under said bond.

p) That no building or structure shall be erected or maintained within 20 feet of any dwelling existing at the time of issuance of the permit for such building or structure.

1.3 Special Conditions:

In order to promote the public health, safety, morals and welfare, the Planning Commission may for good cause determine and find that the conduct of oil and gas drilling and producing operations proposed under a particular application for permit pursuant to this Article justifies and requires the imposition of further Special Conditions in addition to those imposed by Subsection 1.2 above, and may thereupon include in the permit such of the following Special Conditions as it deems appropriate. If applicant is unwilling to accept a permit containing such added conditions, he will be entitled to a public hearing before the Commission to review the Special Conditions proposed to be imposed. Such hearing shall be set for a date not earlier than ten (10) days nor later than thirty (30) days after request is made. Notice thereof shall be published once in a newspaper of general circulation published in the County of Santa Barbara, and applicant shall be given written notice of such hearing at least five (5) days prior thereto.

Within five (5) days of the conclusion of said hearing, the Commission shall based upon good cause therefor find and determine which, if any of such Special Conditions shall remain imposed under the permit and shall notify applicant of such determination forthwith.

Appeals from any action taken hereunder by the Commission may be taken to the Board of Supervisors by the applicant pursuant to Section 2 of Article XIV of Ordinance No. 661.

Such Special Conditions may be in substitution of any of the Conditions set forth in Article VI Section 1, Subsection 1.2 of Ordinance No. 661, and/or addition to the conditions referred to in Subsection 1.2. When a regulation contained in Subsection 1.2 conflicts with a Special Condition imposed by the Planning Commission under Subsection 1.3 the Special Conditions shall control.

The Special Conditions which may be imposed shall be as follows:

(1) Each producing well drilled from an upland site shall be completed in such manner that all production equipment and facilities shall be recessed, covered or otherwise screened from view in a manner approved by the Planning Commission.

(2) All permanent operating sites shall be landscaped with shrubs or fences so as to screen from public view, as far as reasonably possible, the tanks, pumps or other permanent equipment. Such landscaping or shrubs or fencing shall be kept in good condition to the satisfaction of the Planning Commission.

(3) Except in case of emergency, no materials, equipment, tools or pipe used for drilling operations shall be delivered to or removed from the drilling site in a residential or congested area between the hours of 6 pm and 8 am of any day. Outside of residential or congested areas, such deliveries shall not be made or removed from a drilling site between the hours of 6 pm and 6 am of any day, except in an emergency.

(4) Except in an emergency, no oil shall be removed by truck from a drilling site located in a residential or congested area between the hours of 6 pm to 8 am. Outside a residential or

congested area, no oil shall be removed by truck from a drilling site between the hours of 6 pm and 6 am of any day except in an emergency.

(5) The permittee shall immediately suspend any drilling and production operations, except those which are corrective, protective, or mitigative in the event of any disaster or of pollution of ocean or domestic waters caused in any manner or resulting from operations under a permit. Such drilling and production operations shall not be resumed until adequate corrective measures have been taken and authorization for resumption of operations has been made by the Planning Commission or Planning Department.

(6) Derricks and major items of drilling equipment shall be enclosed with soundproofing materials in accordance with applicable safety regulations and standards.

(7) The pumping units of producing wells shall be installed in soundproof pits.

(8) All waste substances such as drilling muds, oil, brine or acids produced or used in connection with oil drilling operations or oil production shall be retained in watertight receptors from which they may be piped or hauled for terminal disposal in a dumping area specificially approved for such disposal by the Planning Commission.

(9) Within sixty (60) days after the drilling of each well has been completed, and said well placed in production, or abandoned, the derrick and all other drilling equipment shall be entirely removed from the premises unless such derrick and appurtenant equipment is to be used within a reasonable time limit, determined by the Planning Commission, for the drilling of another well on the same controlled drilling site.

(10) All oil drilling and production operations shall be conducted in such a manner as to eliminate as far as practicable dust, noise vibration and noxious odors, and the site or structures thereon shall not be permitted to become dilapidated, unsightly or unsafe. All operations shall be in accordance with the best accepted oil practices incident to drilling for and production of oil, gas and other hydrocarbons. Proven technological improvements and methods of production shall be adopted as they from time to time become available if capable of reducing factors of nuisance and annoyance.

(11) Drilling shall not be permitted within 300 feet of a residence without the consent of the Planning Commission.

(12) Drilling shall not be permitted within 150 feet of any public highway without the consent of the Planning Commission.

(13) Whenever it is impossible or highly impracticable for applicant to locate the oil or gas borehole in conformity with the distance limitations contained in Subsections 1.2 (a) and/or 1.3 (10) and (11) of Section 1 of Article VI, by reason of limited drilling area between state highways, public roads, right of way lines of roads, topographic barriers or boundary lines of areas within which oil drilling is prohibitied, the Planning Commission or Planning Department may permit a deviation from such distance

requirements, and may in the permit granted fix such lesser limiting distances within which applicant shall be permitted to drill.

(14) Not more than two (2) production tanks shall be installed for each producing well, neither one of which shall have a rated capacity in excess of 1,000 barrels in a residential and/or congested area; provided, however, said production tanks shall be required to have firewalls. The number of production tanks for each producing well located outside a residential or congested area may not exceed more than three(3) production tanks having a capacity not exceeding 2,000 barrels each: provided, however, that where a producing well is located in a hazardous fire area said tanks shall be required to have firewalls.

(15) Permittee shall agree in writing on behalf of himself or his successors or assigns to be bound by such or all of the terms and conditions as prescribed by the Planning Commission hereunder, provided, however, that such agreement in writing shall not be construed to prevent applicant or his successor or assign from applying for good cause at any time for elimination of some of the conditions prescribed and imposed by the Planning Commission hereunder.

1.4 Conditional Permit for Processing Facilities:

A.

Installation of structures, equipment or facilities necessary and incidental to dehydration and/or separation of oil, gas condensate and other liquid products from gas, or water for the purpose of shipping and transporting, recycling, repressuring, or reinjection of said oil, gas, condensate and/or water for underground disposal or underground storage in connection with secondary recovery operations in a producing oil and gas field may be permitted as a conditional permit subject to the requirements of Article XI, Section 3, of this ordinance, provided the Planning Commission further finds that:

1) Proximity to a producing oil or gas field requires establishment of such facilities in the area in order to extract the resources of this field.

2) The distance between the producing field and an area in which said facilities would be allowed without a permit is such that the cost of transporting oil or gas over that distance would be excessive.

3) Such a plant can be so located, designed, constructed and operated that it will not materially affect adversely the health and safety of persons residing, working in, or traveling through the neighborhood, will not be injurious to property or improvements in the neighborhood, and will not be materially detrimental to the public health and welfare by reason of smoke, dust, odor, fumes, noise, vibration, unsightly buildings and/or structures or other similar causes.

4) The type of facilities and equipment proposed to be constructed or installed and the methods to be used for said separation and/or dehydration will be of a type utilizing reasonable methods least likely to adversely affect the health and safety of persons residing, working in, or traveling through the neighborhood and least to be injurious to property and improve-

ments in the neighborhood or detrimental the public health and welfare by reason of smoke, dust, odor, fumes, noise, vibration, unsightly buildings and/or structures, or other similar causes. Oil and/or gas storage facilities in excess of those reasonably and necessarily incidental to the principal functions of the permitted facilities shall be not permitted pursuant to this subsection. Nothing herein shall be deemed to permit the refining of petroleum products.

B.

Applications for a permit for such facilities shall be accompaned by:

1) A plot plan showing contours, locations, use, size and height of all proposed buildings and structures, location and widths of all roads; offstreet parking areas; landscaping and screening areas including types of plant material; fencing.

2) Photographs of the site taken from all directions from which the public or adjacent property owners might view the site.

3) Elevations of all proposed buildings and structures, or perspective views thereof.

4) Written, narrative description of the purpose of the plant, and measures to be taken to reduce any detrimental effects on the surrounding property or the general health safety and welfare of the community.

5) A written verified summary of facts that the applicant intends to prove at the public hearing which shall disclose that the applicant will be able to present competent evidence to prima facie prove that the proposed facility will be able to meet all the findings and requirements specific in Paragraph A of this section.

C.

Any permit granted pursuant to this subsection shall be subject to the following conditions:

1) Compliance with all representations material to the approval of the permit made by the applicant at the public hearing or public hearings on the granting of the permit.

2) Compliance with all applicable existing and future state and local laws and regulations.

D.

The Commission may subject the permit to conditions designed to reduce the detrimental present and future effects on the health and safety of persons residing, working in, or traveling through the neighborhood and to reduce present and future injury to property and improvements in the neighborhood and the detrimental present and future effects of the permitted facilities to the public health

and safety by reason of smoke, dust, odor, fumes noise, vibration, unsightly buildings and/or structures, or other similiar causes. Said conditions may include, but shall not be limited to the following:

1) Minimum specifications governing the type of equipment and machinery installed and the methods to be used for any or all of the functions to be performed by the permitted facilities of any part thereof.

2) Paving of all roads and parking areas.

3) Construction of adequate off-site parking for all employees and visitors.

4) Planting of mature trees and shrubs and installation of fencing to screen off and conceal buildings and structures.

5) Architectural design to improve the appearance of buildings and structures.

6) Construction methods used to install or repair the facilities.

7) The facilities shall at all times be kept as close as is reasonably possible to the original condition,less wear and tear.

E.

On a permit issued pursuant to this subsection, the Commission may waive any applicable limitations prescribed by the specific district regulations imposed by the basic zoning of the district as to height, yard, parking and distance between buildings.

F.

On application of the permittee, the Commission may allow modification or substitution in any of the conditions imposed by Paragraph D of this subsection without holding a public hearing thereon, provided said modification or substitution does not change the essential character and purpose of the original condition.

G.

Any permit issued pursuant to this subsection shall be subject to the provisions of Article XI, Section 5, of this ordinance.

Section 6. OX-Exclusive Controlled Oil Drilling and Producing Site Combining Regulations.

6.1 It is the intent of the subsection to permit, as a matter of right without hearing or conditional use permit, the drilling for and production of oil, gas, water, and other hydrocarbon substances and the maintenance and operation of equipment and structures for such drilling and production, on specific parcels of property designated "OX" as hereinafter provided and to so limit and restrict the uses on such property that sub-surface minerals may be extracted and removed compatibly with surrounding developments, which may be of a recreational,residential, institutional, agricultural, commercial or industrial nature.

Structures and facilities located on such property shall be used for only the drilling, handling and processing of substances produced from wells whose surface locations are on said Controlled Drill Site, which site shall in no case exceed an area of ten (10) acres nor have less area than two (2) acres and which shall in all cases be completely surrounded by property without the "OX" designation. In no event shall such site be used for a refinery nor for processing or handling substances produced from wells in surface area larger than (10) acres, nor smaller than two (2) acres, nor shall tank storage capacity on each drill site exceed 2000 barrels exclusive of measuring and surge tanks having a total capacity of not to exceed 1000 barrels.

6.2 Controlled Drilling Sites designated on the zoning map with the symbol "OX" combined with any other zoning symbol may, in addition to the uses permitted by such other zoning symbol, be used for the purpose of drilling wells for, and the production of oil, gas, water and other hydrocarbon substances, including the installation and use of equipment, structures, tools and other facilities incidental, necessary and accessory to the drilling, production and limited processing of substances produced by such walls. As used herein, the term processing shall include the use of facilities for guaging, recycling, repressuring, reinjection, dehydration, shipping and transportation of oil, gas, water and other hydrocarbon substances and combinations there of. No facilties or equipment other than those essential to and accessory to the actual drilling of an oil or gas well shall be permitted until a Development Plan has been filed and approved by the Planning Commission.

6.3 The owner or owners of all such "OX" zoned sites which are located within one-quarter (¼) mile of the city limits of an incorporated city or of a developed residential subdivision, or of a developed shopping center, shall maintain such sites at all times so they do not constitute anuisance, or become unsightly, or a hazard to such city, subdivision or shopping center, or to the public health, safety or welfare. The uses expressly permitted hereunder shall not be construed to constitute such nuisance, unsightness or hazard where carried on in compliance with this ordinance.

6.4 The uses permitted in such "OX" sites shall be subject to the following conditions and limitations:

a) No oil or gas well shall be drilled within 100 feet of the right of way line of any public road.

b) In the event five or more occupied "dwelling units" or a public school building, or a place of public assemblage may be located within 600 feet of a drilling well.

1) The derrick and all drilling machinery used in connection with the drilling of such well shall be enclosed with fire-resistant and soundproofing material, which shall be maintained in a serviceable condition and in such a manner as to reduce noise to a minimum during the period of such drilling operations; and

2) Except in case of emergency, no materials, equipment, tools or pipe used for drilling operations, or drilling mud, cuttings or oil field wastes resulting from such operations, shall be delivered to or removed by truck from such well sites between the hours of 6:00 p.m. and 8:00 a.m. of any day.

c) Reasonable fire fighting equipment as required and approved by the County Fire Warden shall be maintained on the premises at all times during drilling and production operations.

d) Sanitary facilities shall be installed and maintained as required and approved by the County Health Officer.

e) No sump holes shall be permitted on any drilling sites and drilling mud, cuttings and other oil field waste shall be discharged into a steel tank or other closed receptor. Upon completion ofdrilling, such tank or container and all waste material therein shall be removed from the site and the surface of the premises restored to a clean and usable condition.

f) Within 90 days after the drilling of each well has been completed and the well has been placed in production or abandoned, the derrick and all drilling equipment shall be entirely removed from the premises unless such derrick and appurtenant equipment is to be used within a reasonable time for the drilling of another well on the same premises.

g) All roads and parking areas shall be suitably paved and maintained so as to reduce dust to a minimum.

h) Such flood control, erosion and drainage facilities as may be required by the Flood Control Engineer for the handling of storm waters and the protection of the area shall be installed.

6.5 If Commercial production is not established within 9 months of the commencement of drilling of the first well on any such Controlled Drill Site, the wells shall be abandoned and the site restored to a clean and usable condition.

Within 30 days after establishment of commercial production from such Controlled Drilling Site the operator shall commence, and within 90 days thereafter, shall complete the following in accordance with the approved Development Plan, unless the Board of Supervisors for good cause, shall extend such time limits.

a) Enclose the site or the moving parts of operating machinery with an adequate non-combustible type fence,wall screen or housing sufficient to prevent unauthorized access thereto and having a height of 6 feet.

b) Plant and thereafter maintain trees or shrubbery on any such producing area so as to develop attractive landscaping and to screen the site and production equipment, structures, tanks and facilities thereon from public view, unless such equipment, structures, tanks and facilities are screened from public view by reason of an isolated locations, existing trees or shrubbery, intervening surface contours, or a wall constructed as herein provided.

c) Any machinery used in production and/or processing of substances within the Drilling Site shall be so designed and housed that noises, odor and vibration shall be reduced to a minimum and the operation thereof will be compatible with the ambent neighborhood noise level.

6.6 Prior to commencement of any drilling on any lot or parcel of land designated as an "OX" site, the operator shall:

a) Notify the Board of Supervisors and Planning Commission in writing of the date of commencement, general plan of operations and description of property on which the proposed drilling will be conducted; and

b) In addition to such written notice furnish a written agreement duly executed by such operator that he, or it, will faithfully comply with and abide by each applicable provision and regulation hereinabove set forth, and with the requirements of the Division of Oil and Gas of the State of California. The operator further shall agree to furnish and maintain in full force and effect during the period of all drilling and producing operations on the described drilling and producing site the faithful performance bond or bonds described herein.

c) A faithful performance bond of $2,000.00 shall be filed with the Board of Supervisors for each well for the first five (5) wells and when more than five (5) wells are drilled $10,000.00 shall be the total required of each oil operator on each of said Drilling and Producing Areas. Such surety bonds shall be conditioned upon the faithful performance of the terms and conditions and all requirements of this ordinance and shall not be released until such time as the well or wells covered thereby have been abandoned and all conditions and requirements of this ordinance have been performed or until such time as the transfere or successor in interest of the bond principal has furnished the County of Santa Barbara with a new bond. No bond referred to herein shall be deemed to have been furnished to the said County until the same shall be approved by the County Counsel and the Board of Supervisors.

Article VII - General Regulations.

Section 8 Oil Drilling

The production of petroleum, gas or other hydrocarbon substances in any Al, E, R, C or M-1 District is prohibited unless such District is subject to the O-Oil Drilling Combining Regulations.

ARTICLE XI
CONDITIONAL PERMITS

Section 1 Scope

This article shall apply in all cases where a Conditional Permit is required as a condition by the terms of this Ordinance.

Section 2 Contents and Requirements of Application

a) Each application for a Conditional Permit shall be filed by the owner of the property or his duly authorized agent, and shall be accompanied by such plans, elevations, descriptions, or other data as the Planning Commission may require.

Section 3 Procedure

a) Each applicant shall submit five (5) copies of his application and of such plans, elevations, and descriptions as are required. Upon receipt of a bonafide application for a Conditional Permit the Planning Commission, after holding at least one public hearing theron except in the case of an application for a fence or wall of six (6) feet or

more in height which application shall not require a public hearing, may grant of deny the permit. In the case of an application for a use or structure of a public works public service or public utility nature, the public hearing may be waived. The Planning Director of the County of Santa Barbara, shall upon receipt of the application promptly forward one copy thereof to the following County officials: Road Commissioner, Flood Control Engineer, Sanitarian and Fire Warden each of whom shall, within fifteen (15) days after the date of transmittal of said copy of said application to him, make a written report to the Planning Commission as to any recommendations he may have with respect to the use contemplated by the application and its bearing on his functions. Failure to submit such written report within said fifteen (15) days shall be deemed approval of said application by such County officials without conditions.

b) Conditional permits may be granted under the provisions of this Article XI if:

1. The granting of the application will not violate the spirit and purpose of this ordinance.
2. The granting of the application will not be detrimental to the health, safety, comfort, convenience, property value, and general welfare of the neighborhood.
3. The granting of the application will not adversely affect such necessary community services and values as traffic circulation, sewage disposal, fire protection, water supply and neighborhood character.
4. The granting of the application will not be at vatiance with any adopted official plan.
5. The applicant agrees, in writing to comply with all reasonable conditions imposed by the Planning Commission to insure compliance herewith.

C) The decisions of the Planning Commission with respect to Conditional Permits shall be final except that within twelve (12) days after the action of the Planning Commission the Board of Supervisors may modify or reverse the action of the Planning Commission by order and any action of the Planning is subject to appeal to the Board of Supervisors as provided in Article XIV, Section 2. All Conditional Permits granted by the Planning Commission shall be reported to the Board of Supervisors.

Section 5. Revocation and Voidability:

5.1 A conditional permit issued pursuant to this Article shall be null and void and automatically revoked if:

a) Within one year after the granting of said permit, construction of the buildings or structures authorized by the permit has not been established; or

b) A use permitted under a conditional permit issued subsequent to the effective date of this section is discontinued for a period of more than one year;

c) Provided, however, that prior to the expiration of such one year period the Board of Supervisors, after recommendation by the Planning Commission, may extend such one year period for good cause shown.

5.2 After written notice to the permittee and a hearing thereon, the Planning Commission may revoke a Conditional Permit issued pursuant to this Article or issued pursuant to any other County zoning ordinance which has been expressly or impliedly superseded by Ordinance No. 661 if:

a) Any of the conditions of the permit are not complied with; or

b) A use permitted under a Conditional Permit issued prior to October 1, 1957 under Ordinance No. 661 is not established or used prior to October 1, 1958, or is discontinued for a period of more than one year; or

c) A use permitted under a Conditional Permit issued under a County zoning ordinance other than Ordinance No. 661 is not established or used prior to October 1, 1958, or within one year after the property was first permanently zoned under Ordinance No. 661, whichever date occurs later, or the said use is discontinued for a period of more than one year after October 1, 1958, or after the property was first permanently zoned under Ordinance No. 661, whichever date occurs later; or

d) Buildings or structures which were commenced within one year from the date such permit was granted have not been completed and the permitted use established within two years from the date such permit was issued.

Excerpt from Ventura County Ordinance Code - Article 43

Sec. 8163-14 - Special Conditions for Oil and Gas Permits Heretofore and Hereafter Issued - It is declared to be in the interest of the public health, safety, welfare and the purpose and intent of this Chapter that the following conditions shall be and they are hereby automatically imposed and made a part of any permit for oil and gas drilling and extraction hereafter issued and as to any permit issued prior to November 30, 1961, shall apply to any drilling or other activity commenced after November 30, 1961:

Sec. 8163-14.1 - Soundproofing - Whenever the drilling or redrilling of any oil or gas well commenced after November 30, 1961, is situated within five hundred (500) feet of any dwelling not owned by the permittee, or if applicable, the lessor of the permittee, the derrick, portable rig and machinery or equipment used to operate in connection with drilling, shall be enclosed with fire resistant and soundproofing material; unless the Planning Director is furnished written consent to waiver such condition by all owners and tenants of said dwellings. If a noise nuisance develops after written consent has been given and if inspection under supervision of the Planning Director sustains that the noise level constitutes a nuisance, the original provisions of soundproofing will prevail. Whenever drilling or redrilling is by portable drilling rig and will be accomplished and said rig removed within a thirty (30) day period, soundproofing requirements shall not apply;

Sec. 8163-14.2 - That the exercise of any right granted by the permit shall conform in all respects to the regulations and requirements of the California State Regional Water Pollution Control Board No. 4; and that all water, mud, oil, or any other substances removed as waste material from the land for which the permit is issued shall be deposited in a disposal site approved by the Board of Zoning Adjustment and the California State Regional Water Pollution Control Board;

Sec. 8163-14.3 - That no earthen sump shall be constructed or maintained within five hundred (500) feet, and no drilling shall be permitted within one hundred (100) feet of any natural channel in which there is or may be flowing water;

Sec. 8163-14.4 - That within ninety (90) days after a well is producing, the derrick, all boilers and all other drilling equipment shall be removed from the premises unless permission to store them on the premises is obtained from the Board of Zoning Adjustment;

Sec. 8163-14.5 - That all sumps, or debris basins, or any depressions, revines, gullies, barrancas or the like which are used for the impounding or depositing of water, mud, oil, or any other fluid, semi-fluid or any combination thereof, shall be fenced. When any such place is located more than one-half (½) mile away from any school, playground or dwelling, it shall be enclosed by a cattle fence with wood or steel posts not less than four (4) feet above the ground with not less than three (3) strands of barb wire secured horizontally to posts. When any such place is located within one-half (½) mile of any school, playground or dwelling it shall be enclosed by a wire fence of a wire mesh type with a maximum of two (2) inches by four (4) inches opening and said fence shall be secured to steel posts not less than five (5) feet in height above the ground and said posts shall have forty-five degree (45°) arms attached to top of posts with three (3) strands of barb wire attached thereto;

Excerpt - page two

Sec. 8163-14.6 - That no permanent buildings or structures shall be erected within one hundred (100) feet of boundaries or right of way of any public street or highway;
Sec. 8163-14.7 - That the permittee shall at all times comply with the provisions of the Public Resources Code of the State of California, relating to the protection of underground water supply and in connection with oil and gas extraction;
Sec. 8163-14.8 - That upon abandonment of any well or cessation of drilling operations, all earthen sumps or other depressions containing drilling mud, oil, or other waste products from the drilling operation shall be cleaned up by removing such waste products or by consolidating all mud, oil, or other waste products into the land by disking, harrowing and leveling to restore the land to the condition existing prior to the issuance of this permit as nearly as practicable so to do;
Sec. 8163-14.9 - Transfer of Permit. Unless otherwise provided in the terms of a permit, the permit shall expire no later than when the permittee's ownership, lease or other right to develop the property in the manner described in the application is terminated. A permit may be transferred to another person only with the approval of the Board of Zoning Adjustment. A transfer shall be null and void unless and until (a) the Board of Zoning Adjustment has approved the transfer, (b) the Board of Zoning Adjustment has been furnished satisfactory evidence of the transfer, (c) the transferee files with the Board of Zoning Adjustment a writing wherein he obligates himself to comply with every term and condition of the permit, and (d) the transferee has filed an approved bond;
Sec. 8163-14.10 - That no drilling or other uses for which this permit is granted shall be commenced or continued unless and until permittee has filed, and the Board of Zoning Adjustment has accepted, a bond in the penal amount of twenty-five hundred dollars ($2500.00) for each well that is drilled or to be drilled. Any operator may, in lieu of filing such bond for each well drilled, redrilled, produced or maintained, file a bond in the penal amount of ten thousand dollars ($10,000) to cover all operations conducted in the County of Ventura, a political subdivision of the State of California, conditioned upon the permittee well and truly obeying, fulfilling and performing each and every term and provision in the permit, and that in case of any failure by the permittee to perform or comply with any term or provision thereof, the Board of Zoning Adjustment may, by resolution, declare the bond forfeited and the sureties and principal will be jointly and severally obligated to pay forthwith the full amount of the bond to the County of Ventura. The forfeiture of any bond shall not insulate the permittee from liability in excess of the sum of the bond for damages or injury or expense or liability suffered by the County of Ventura from any breach by permittee of any term or condition of said permit or of any applicable ordinance or of this bond. The transfer of this permit, as provided for in Section 8163-14.9, Ventura County Ordinance Code, shall not be effective unless and until the transferee has also complied with this condition for posting an approved bond;
Sec. 8163-14.11 - That all drilling and production operations shall be conducted in such a manner as to eliminate, as far as practicable, dust, noise, vibration or noxious odors, and shall be in accordance with the best accepted practices incident to drilling for and the production of oil, gas and other hydrocarbon substances. Where economically feasible, generally accepted and used technological improvements for reducing factors of nuisance and annoyance shall be employed by permittee.

CONDITIONS FOR: CUP- APPLICANT:

RESOLUTION NO: PAGE:

PLANNING DIVISION CONDITIONS:

All conditions (1 through 11 as listed in Section 8163-14 of the Ventura County Ordinance Code and the following:

12. That the permit is granted for the land and project as described in: a) the application dated and any attachment thereto; b) the project description contained in the environmental document for the subject permit; and c) as shown on the plot plan and attachments submitted.

13. That drilling operations, including all equipment and other appurtences assessory thereto, shall be limited to the drilling site located as described in the application and as shown on the plot plans submitted with the application.

14. That unless a producing well is obtained within one (1) year from the date of the granting of this permit, this permit will automatically expire on that date. The Planning Director may, in his discretion, grant one additional one-year extension of time if there have been no changes in the accepted plans, if there have been no changes in the adjacent areas, and if permittee has diligently worked toward inauguration of use during the initial one year period.

15. That drilling operations shall be commenced within days from the effective date of the permit or within such additional period that may be granted by the Planning Director upon presentation of good cause for the delay.

16. That the permit is granted for a period of time of 50 years, ending , or until the use for which it is granted is discontinued for a period of one hundred and eighty (180) consecutive days or more, whichever first occurs. The Planning Division shall review the site and conditions of the permit at least every ten years during the life of the permit to ensure that full compliance with all conditions has been accomplished.

17. That upon revocation, expiration or surrender of this permit, or abandoment of the use, the premises shall be restored by the permittee to the conditions existing prior to the issuance of the permit as nearly as practicable.

18. That any minor changes may be approved by the Planning Director, but any substantial changes will require the filing of a modification application to be considered by the Planning Commission.

19. That all requirements of any law or agency of the State, Ventura County and any other governmental entity shall be met.

20. That drilling operations shall be restricted to one (1) oil and gas well on one (1) location only, provided however, that upon filing a modification application to and upon approval by the Planning Commission, additional wells may be drilled within the area for which the permit is issued, but such additional wells shall be subject to any conditions which may be specified at the time such approval for additional well or wells is granted.

22. That drilling and redrilling shall be conducted by the use of portable drilling equipment, and no permanent derricks shall be installed.

23. That all liquid drilling discharge wastes shall be accumulated in steel tanks on the subject permit area and hauled away from the subject property for disposal at any approved disposal site, and such steel tanks shall be removed within thirty days after completion or abandonment of the subject wells. However, solid drilling waste materials may be temporarily deposited in an earthen depression with the final disposition of said solid waste materials to be accomplished in compliance with the rules and regulations of the California Regional Water Quality Control Board.

24. That not more than production tank shall be installed on the subject site, which shall have a rated capacity of not more than 1000 barrels, and said tank and appurtences shall be kept painted a neutral color and maintained in good condition at all times and the plans for said tank including the plot plan showing the location thereof on the property, shall be submitted to and approved in writing by the Ventura County Planning Director before said tank and appurtenances are located on the premises.

25. That the subject site shall be landscaped or revegetated upon completing the drilling of the exploration well in a manner approved by the Planning Director.

26. That no sign shall be constructed, erected or maintained on the property encompassed by this permit except those allowed by law or ordinance to be displayed in connection with the drilling or maintenance of the well.

27. That all roads or hauling routes located between the County right-of-way to and including the subject site shall be gravelled or otherwise treated as necessary to prevent the emanation of dust.

28. That no later than ten (10) days after any change of property ownership or of lessee(s) or operator(s) of the subject use, there shall be filed with the Planning Director the name(s) and address(es) of the new owner(s), lessee(s) or operator(s), together with a letter from any such person(s), acknowledging and agreeing to comply with all conditions of this permit.

29. That prior to inauguration of drilling operations, (i.e., spudding-in) approval shall be obtained from the Planning Division of compliance of all applicable conditions of the permit.

30. That no more than two (2) tanker trucks per shall be permitted to haul oil form the subject permit area to eliminate the need for excessive truck traffic using the public roads.

31. That prior to installing an oil or a gas pipeline from the subject site, a modification application shall be filed for approval by either the Planning Commission or the Planning Director, depending on the known environmental impacts of installing the subject pipeline.

32. That prior to preparing the site, the permittee shall file with the Planning Director a certificate showing insurance of not less than Five Hundred Thousand/One Million Dollars for personal injury and Two Million Dollars for property damage.

33. That any oil spills from pipes or other facilities or the well shall be cleaned and corrected in accordance with the E.P.A.'s Spill Contingency Plan.

34. That the permittee shall be responsible for informing the surface property owner and the drilling contractor of all the conditions of the permit and shall confirm that notification in writing to the Planning Director.

ENVIRONMENTAL HEALTH DIVISION CONDITIONS:

35. That suitable and adequate sanitary toilets and washing facilities approved by the Environmental Health Division, shall be installed and maintained in a clean and sanitary condition at all times during periods of drilling.

36. That an adequate supply of safe and potable water shall be supplied to the site as approved by the Environmental Health Division.

37. That noise emanation shal be controlled so as not to interfere with surrounding land uses. Noise emanations from a drilling well or production equipment shall not exceed standards set by HUD's Report No. TE/NA 72. The maximum noise levels shall not exceed 45 dB (A) measured at point five feet away from the outside wall of an occupied residence or school during nighttime hours and a 55 dB(a) during the daytime. If, based on a valid complaint, a pumping well impacts an occupied residence or school, it shall be operated by an electrically powered unit.

38. That light emanation shall be controlled so as not to interfere with surrounding land uses, including Sulpher Mountain Road.

39. That all facilities shall be constructed and operated in accordance with the California Division of Industrial Safety's General Industry Safety Orders, and the U.S. Department of Labor's Occupational Safety and Health Standards.

40. That disposal of all potentially hazardous wastes shall be by a means approved by the Ventura County Environmental Health Division.

41. That any abandoned water wells on the permittee's drilling or production equipment sites shall be destroyed in accordance with the Ventura Coutny Well Ordinance.

AIR POLLUTION CONTROL DISTRICT (APCD) CONDITIONS:

42. That facilities shall be constructed and operated in accordance with the Rules and Regulations of the Ventura County Air Pollution Control District.

43. That analysis indicating the sulphur content of the gas and oil shall be obtained and transmitted to the County Air Pollution Control District when first practicable and within ten days of any flaring and production.

44. That no venting to the atmosphere of well head gas shall occur. If a gas line or other method of transporting the gas is not available, the gas shall be flared in a manner acceptable to the APCD and the Planning Director.

45. That producing well equipment (i.e., rod pumps, intermittent gas lift, etc.) shall be routinely maintained in a manner representative of good oil industry practices so as to minimize air pollution emissions.

46. That all valves, flanges, and connections shall be routinely maintained (i.e., tightening and replacing packings) in a manner representative of good oil industry practives so as to minimize air pollution emissions.

47. That within 60 days of the completion of each production well, storage capacity with vapor recovery equipment which reduces emissions to the atmosphere by at least 90% by weight or a control system acceptable to the APCD, shall be available to the subject site and utilized.

48. That all "permanent" oil transfer operations shall have vapor recovery equipment which reduces emissions to the atmosphere by at least 90% by weight or a control system acceptable to the APCD.

49. That no significant crude oil or production oil wastes, other than that allowed under Condition No. 47 shall be left exposed to the atmosphere.

COUNTY FIRE DEPARTMENT CONDITIONS:

50. That provisions for fire suppression shall be in accordance with the Ventura County Fire Protection District Ordinance No. 12 and Article 15, Division X of the Uniform Fire Code, and approved by the Ventura County Fire Chief.

51. That a Uniform Fire Code Permit shall be obtained for operations under this permit.

52. That water for fire protection shall be required during drilling operations. A 20,000 gallon (500 barrel Baker tank) tank filled with water and maintained full, with a gated shut-off equipped with a four inch National Standard Threaded male outlet near the bottom of the tank, which will allow the fire department to draw out all the water in the event of a fire, shall be required. Location of the tank shall be subject to approval of the local Engine Company who shall be contacted, prior to preparing the site.

53. That brush and other combustible materials surrounding drilling sites shall be cleared as directed by the Ventura County Fire Department.

54. That main access roads to drilling sites shall be maintained so as to allow all-weather access to drilling sites by emergency vehicles.

55. That when production of oil or gas is attained at any size, uniform Fire Code water requirements for fire protection on the subject site shall be met.

56. That the installation of any oil holding tanks shall be in accordance with N.F.P.A. #30.

PUBLIC WORKS AGENCY CONDITIONS:

57. That the drill site and access road shall not obstruct natural drainage courses.

58. That prior to preparation of the drilling site, a grading plan with provisions for drainage control for the access road and drill site shall be submitted to the Public Works Agency for review. A plan check fee based upon actual time spent as determined by Public Works shall be paid to County for review of said plan.

59. That if archaeological or historical artifacts are uncovered during land modification activities, the site shall be preserved until a qualified archaeologist is consulted for proper disposition of the site and a concurrence received from the Public Works Agency.

RULES AND REGULATIONS

AIR POLLUTION CONTROL DISTRICT

SANTA BARBARA, CALIFORNIA

00123

A-18

SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

Lawrence Hart, M.D., M.P.H.
Air Pollution Control Officer

John B. English
Director, Air Pollution Control

Robert A. Riddell
Air Pollution Engineer

John G. Laird
Air Pollution Engineer

Raymond M. Ewald
Air Pollution Engineer

William A. Hayes
Instrument Technician

Walter R. Graybill
Inspector-Technician

Theodore L. Stathakis
Inspector-Technician

4440 Calle Real
Santa Barbara, California 93110
Telephone: 964-8848
(Area Code 805)

(Santa Maria Personnel - Following Page)

SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

K. George Philip
Air Pollution Engineer

Alan C. Frederick
Inspector-Technician

Santa Maria Office
900 W. Foster Road
Santa Maria, California 93454
Telephone 937-6365
(Area Code 805)

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RULE 3. STANDARD CONDITIONS.

Standard conditions are a gas temperature of 60 degrees Fahrenheit and a gas pressure of 14.7 pounds per square inch absolute.* Results of all analyses and tests shall be calculated or reported at this gas temperature and pressure.

REGULATION II
Permits

RULE 4. PERMITS REQUIRED.

a. Authority to Construct. Any person building, erecting, altering or replacing any article, machine, equipment or other contrivance, the use of which may cause the issuance of air contaminants or the use of which may eliminate or reduce or control the issuance of air contaminants, shall first obtain authorization for such construction from the Air Pollution Control Officer. An Authority to Construct shall remain in effect until the permit to operate the equipment for which the application was filed is granted or denied or the application is cancelled.

* The standard pressure of 14.7 psia is the atmospheric pressure that exists at standard conditions at sea level elevation. Used to avoid confusion with gage pressure and equivalent to 760 mm of mercury & 15.6 degrees Celsius.

b. Permit to Operate. Before any article, machine, equipment or other contrivance described in Rule 4(a) may be operated or used, a written permit shall be obtained from the Air Pollution Control Officer. No permit to operate or use shall be granted either by the Air Pollution Control Officer or the Hearing Board for any article, machine, equipment or contrivance described in Rule 4(a), constructed or installed without authorization as required by Rule 4(a), until the information required is presented to the Air Pollution Control Officer and such article, machine equipment or contrivance is altered, if necessary, and made to conform to the standards set forth in Rule 9 and elsewhere in these Rules and Regulations.

c. Notification to Building Officials, etc. It shall be the duty of the Air Pollution Control Officer to notify the building department or division of every governmental agency within the district boundaries that every applicant for a building, alteration or other permit which involves any article, machine, equipment or other contrivance, the use of which may cause the issuance of air contaminants, or the use of which may eliminate, reduce or control the issuance of air contaminants will be required under these rules to obtain an "Authority to Construct" before commencing construction of any such article, machine, equipment or other contrivance, and will further be required thereafter to conform to these rules in such operation. The Air Pollution Control Officer shall further request that each such building department or division shall not issue a building, alteration, moving or other permit unless and until notified, in writing, by the Air Pollution Control Officer that the applicant or an agent or representative thereof has been given a copy of these rules and any current amendments, modifications and additions thereto, has been informed of the standards to be met and of the necessity for an Authority to Construct under these rules, and has signed a receipt for a copy of these rules, and a statement that he understands the standards to be met and that he must obtain an Authority to Construct before commencing operations, on a form to be prescribed by the Air Pollution Control Officer, with a copy thereof delivered to the applicant or agent or representative thereof.

d. Posting of Permit to Operate. A person who has been granted under Rule 4 a permit to operate any article, machine, equipment, or other contrivance described in Rule 4(b), shall firmly affix such permit to operate, an approved facsimile, or other approved identification bearing the permit number upon the article, machine, equipment, or other contrivance in such a manner as to be clearly visible and accessible. In the event that the article, machine, equipment, or other contrivance is so constructed or operated that the permit to operate cannot be so placed, the permit to operate shall be mounted so as to be clearly visible in an accessible place within 25 feet of the article, machine, equipment, or other contrivance, or maintained readily available at all times on the operating premises.

e. Defacing, etc., a Permit to Operate. No person shall deface, alter, forge,counterfeit, or falsify a permit or facsimile thereof or identification to operate any article, machine, equipment or other contrivance issued or mounted or displayed pursuant to the provisions of the Rule 4.

f. Permit to Sell or Rent. Any person who sells or rents to another person an incinerator which may be used to dispose of combustible refuse by burning within the South Coast Basin or South Central Coast Basin and which incinerator is to be used exclusively in connection with any structure, which structure is designed for and used exclusively as a dwelling for not more than four families shall first obtain a permit from the Air Pollution Control Officer to sell or rent such incinerator

g. Particular Controls Not Required. The Air Pollution Control Officer may not demand any particular control so long as the emission standards may be met otherwise.

RULE 5. EXEMPTIONS.

An authority to construct or a permit to operate shall not be required for:

a. Vehicles as defined by the Vehicle Code of the State of California but not including any article, machine, equipment or other contrivance mounted on such vehicle that would otherwise require a permit under the provisions of these rules and regulations.

b. Vehicles used to transport passengers or freight.

c. Equipment utilized exclusively in connection with any structure, which structure is designed for and used exclusively as a dwelling for not more than four families.

d. The following equipment:

1. Comfort air conditioning or comfort ventilating systems which are not designed to remove air contaminants

RULE 6. TRANSFER.

An authority to construct, permit to operate or permit to sell or rent shall not be transferable, whether by operation of law or otherwise, either from one location to another, from one piece of equipment to another, or from one person to another.

RULE 7. APPLICATIONS.

Every application for an authority to construct, permit to operate or permit to sell or rent required under Rule 4 shall be filed in the manner and form prescribed by the Air Pollution Control Officer, and shall give all the information necessary to enable the Air Pollution Control Officer to make the determination required by Rule 9 hereof.

RULE 8. PROVISION OF SAMPLING AND TESTING FACILITIES.

A person operating or using any article, machine, equipment or other contrivance for which these rules require a permit shall provide and maintain such sampling and testing facilities as specified in the permit to operate.

RULE 9. STANDARDS FOR GRANTING APPLICATIONS.

a. The Air Pollution Control Officer shall deny an authority to construct, permit to operate or permit to sell or rent, except as provided in Rule 10, if the applicant does not show that every article, machine, equipment or other contrivance, the use of which may cause the issuance of air contaminants, or the use of which may eliminate or reduce or control the issuance of air contaminants, is so designed, controlled, or equipped with such air pollution control equipment, that it may be expected to operate without emitting or without causing to

be emitted air contaminants in violation of Sections 41700 or 41701, Health and Safety Code, or of these rules and regulations.

b. Before an authority to construct or a permit to operate is granted, the Air Pollution Control Officer may require the applicant to provide and maintain such facilities as are necessary for sampling and testing purposes in order to secure information that will disclose the nature, extent, quantity or degree of air contaminants discharged into the atmosphere from the article, machine, equipment or other contrivance described in the permit to operate. In the event of such a requirement, the Air Pollution Control Officer shall notify the applicant in writing of the required size, number and location of sampling holes; the size and location of the sampling platform; and the utilities for operating the sampling and testing equipment. The platform and access shall be constructed in accordance with the General Industry Safety Orders of the State of California.

RULE 9.1 DENIAL OF AUTHORITY TO CONSTRUCT:

a. The Air Pollution Control Officer shall deny an authority to construct unless he determines that the article, machine, equipment or other contrivance is designed or controlled by air pollution control equipment so that it may be expected to operate without emitting, or without causing to be emitted, air contaminants which will:

1. violate any of these Rules and Regulations; or

2. prevent the attainment or maintenance of any applicable ambient air quality standard.

b. Application Contents:

Application for authority to construct or modify shall be by means prescribed by the Air Pollution Control Officer and shall include but not be limited to the following:

1. site information, stack data, and the nature and amounts of emissions.

2. any additional information requested by the Air Pollution Control Officer which may be necessary to make the determination pursuant to Paragraph (a) of this Rule, including process and production data, techniques and flow diagrams; and

3. any EIR* or EIS* prepared by the applicant or other governmental entity which pertains to the authority to construct that is being sought.

* EIS - Environmental Impact Statement
* EIR - Environmental Impact Report

c. Review Process:

1. Within 60 days of receipt of an application for an authority to construct, the Air Pollution Control Officer shall make an analysis of the impact of the proposed project on air quality and begin a 30-day period for public comment. The Air Pollution Control Officer's analysis and information submitted by the source proponent shall be available to the public during this period.

2. Opportunity for public comment on a proposed source must include:

a. publication in at least one newspaper of general circulation in the district of a notice which will apprise the public of the District's intent to review the application for authority to construct, the applicant's name and location and the general nature of the operation and equipment.

b. notification of the following:

1. Air Resources Board
2. Air Basin Coordinating Council
3. other affected agencies

c. availability of documents for public inspection in at least one location in the district; and

3. Within 30 days of the close of the public comment period the Air Pollution Control Officer shall make his determination as to the approvability of the proposed project.

d. Analysis:

1. In making his analysis of an application for an authority to construct the Air Pollution Control Officer shall consider:

a. existing air quality in the Air Basin and in the area surrounding the proposed source; and

b. projected levels of air quality resulting from the applications of existing federal, state, and local control strategies.

2. In making his determination of whether or not to approve the application (after the 30-day period for public comment) the Air Pollution Control Officer shall consider public comment on information submitted by the source proponent and on the proposed source's expected effect on ambient air quality; and

3. Approval of authority to construct does not relieve the source proponent of the responsibility to comply with any other applicable laws, rules and regulations.

e. Sources Subject to Review:

This rule shall apply only to stationary sources, with air pollution control devices, if any, in operation whose emissions exceed 25 tons per year of particulate matter, oxides of nitrogen, sulfur dioxide, hydrocarbons or carbon monoxide.

f. Exemptions:

This rule shall not apply to:

1. any article, machine, equipment or other contrivance to be constructed, which in the judgment of the Air Pollution Control Officer will be a replacement for one existing and which when used or operated, will cause no increase in the emissions of any air contaminant over the emissions from the item being replaced;

2. any scavenger plant which in the judgment of the Air Pollution Control Officer when in operation, will reduce emissions from an existing source; or

3. any article, machine, equipment or other contrivance to be constructed, which will in the judgment of the Air Pollution Control Officer in a reasonable time, reduce emissions from existing sources.

RULE 10. CONDITIONAL APPROVAL:

a. The Air Pollution Control Officer may issue an authority to construct or permit to operate, subject to conditions which will bring the operation of any machine, article, equipment or other contrivance within the standards of Rule 9, in which case the conditions shall be specified in writing. Commencing operation under such a permit to operate shall be deemed acceptance of all the conditions so specified. The Air Pollution Control Officer shall issue a permit to operate with revised conditions upon receipt of a new application, if the applicant demonstrates that the article, machine, equipment or other contrivances can operate within the standards of Rule 9 under the revised conditions.

b. The Air Pollution Control Officer may issue a permit to sell or rent, subject to conditions which will bring the operation of any article, machine, equipment or other contrivance within the standards of Rule 9, in which case the conditions shall be specified in writing. Selling or renting under such a permit to sell or rent shall be deemed acceptance of all the conditions so specified. The Air Pollution Control Officer shall issue a permit to sell or rent with revised conditions upon receipt of a new application, if the applicant demonstrates that the article, machine, equipment or other contrivance can operate within the standards of Rule 9 under the revised conditions.

RULE 11. DENIAL OF APPLICATIONS.

In the event of denial of an authority to construct, permit to operate or permit to sell or rent, the Air Pollution Control Officer shall notify the applicant in writing of the reasons therefor. Service of this notification may be made in person or by mail, and such service may be proved by the written acknowledgment of the persons served or affidavit of the person making the service. The Air Pollution Control Officer shall not accept a further application unless the applicant has complied with the objections specified by the Air Pollution Control Officer as his reasons for denial of the authority to construct, the permit to operate or the permit to sell or rent.

RULE 12. ACTION ON APPLICATIONS - TIME LIMITS.

The Air Pollution Control Officer shall act within 30 days from receipt thereof on each application for a permit to operate, sell or rent and shall notify the applicant in writing of his approval, conditional approval or denial. The Air Pollution Control Officer may at any time request further information, plans or specifications from the applicant. The 30 day time limit may be extended by written agreement executed by the Air Pollution Control Officer and the applicant. If the Air Pollution Control Officer shall fail to act within the said 30 days, or any extension thereof by written agreement, the applicant may at his option deem the application denied for the purpose of appeal.

RULE 13. APPEALS.

Within 10 days after notice, by the Air Pollution Control Officer, of denial or conditional approval of an authority to construct, permit to operate or permit to sell or rent, the applicant may petition the Hearing Board, in writing, for a public hearing. The Hearing Board, after notice and a public hearing held within 30 days after filing the petition, may sustain or reverse the action of the Air Pollution Control Officer; such order may be made subject to specified conditions.

RULE 14. FEES.

All fees for authority to construct or permits to operate and other fees provided for in these rules and regulations shall be adopted by resolution of the Air Pollution Control Board of Santa Barbara, which resolution shall set such fees in reasonable amounts based as much as possible on the cost of the services performed for which such fee is charged.

Permit Fees

a. Filing Fee. Every applicant, except any state or local governmental agency or public district, for an authority to construct or a permit to operate any article, machine, equipment or other contrivance, for which an authority to construct or a permit to operate is required by the State Law or the Rules and Regulations of the Air Pollution Control District, shall pay a filing fee of $20.00. Dry Cleaning establishments are not subject to the sliding scales for permits to operate but have an established fee of $20.00 as of June 16, 1975.

b. Permit Fee. Every applicant, except any state or local governmental agency or public district, for a permit to operate, who files application with the Air Pollution Control Officer, shall in addition to the filing fee prescribed herein, pay the fee for the issuance of a permit to operate in the amount prescribed in the following schedules, provided, however, that the filing fee

shall be applied to the fee prescribed for the issuance of the permit to operate.

c. Cancellation or Denial. If an application for an authority to construct or a permit to operate is cancelled, or if an authority to construct or a permit to operate is denied and such denial becomes final, the filing fee required herein shall not be refunded nor applied to any subsequent applications.

d. Transfer of Location or Owner. Where an application is filed for a permit to operate any article, machine, equipment or other contrivance by reason of transfer of location or transfer from one person to another, or both, and no alteration or addition has been made, the applicant shall pay only the amount of the filing fee required herein. Where a permit to operate had previously been granted for such equipment under Rule 4 and an alteration or addition has been made, the applicant shall be assessed a fee based upon the increase in total horsepower rating, the increase in total fuel consumption expressed in thousands of British Thermal Units (BTU) per hour, the increase in total electrical energy rating, the increase in maximum horizontal inside cross sectional area or the increase in total stationary container capacity resulting from such alterations or additions, as described in the fee schedules contained herein.

e. Revised Permit Conditions. Where an application is filed for an authority to construct or a permit to operate exclusively involving revisions to the conditions of an existing permit to operate any existing article, machine, equipment or other contrivance holding a permit under the provisions of Rule 4 of these Rules and Regulations, the applicant shall be assessed a fee based upon the increases in ratings as described in subsection (d) above. Where there is no change or is a decrease in such ratings, the applicant shall pay only the amount of the filing fee required herein.

f. Permit Fee Penalty. When the permit is issued, it shall be accompanied by a statement of the fee to be paid therefore. If the fee is not paid within 30 days after the permit is issued, the fee shall be increased by one-half the amount thereof and the Air Pollution Control Officer shall thereupon promptly notify the applicant of the increased fee by mail. Nonpayment of the increased fee within 60 days after the permit is issued shall result in the automatic cancellation of the application and the permit shall be void.

g. Permit Granted by Hearing Board. In the event that a permit to operate is granted by the Hearing Board after denial by the Air Pollution Control Officer or after the applicant deems his application denied, the applicant shall pay the fee prescribed in the following schedules within 30 days after the date of the decisions of the Hearing Board. Nonpayment of the fee within this period of time shall result in automatic cancellation of the permit and the application.

h. Duplicate Permit. A request for a duplicate permit to operate shall be made in writing to the Air Pollution Control Officer within 10 days after the destruction, loss or defacement of a permit to operate and shall contain the reason a duplicate permit is being requested. A fee of $2.00 shall be paid except by any state or local governmental agency or public district, for issuing a duplicate permit to operate.

i. Governing Fee Schedule. In the event that more than one fee schedule is applicable to a permit to operate, the governing schedule shall be that which results in the higher fee.

SUMMARY STATEMENT

for

APPLICATION FEES & PERMIT MODIFICATIONS

1. All applications require a $20.00 filing fee except state or local government and public district.

2. Refunds are not made on application (filing) fees in cases of denial or cancellation.

3. Transfers (personal or location) only a new filing fee of $20.00 is required providing there has been no alteration or addition of equipment, article, machine or other contrivance. Alterations or additions require permit fees for same.

4. Revised Conditions - requires a $20.00 filing fee and revised permit fees on new conditions pertaining to any article, machine, equipment or other contrivance.

5. Permit fees late or not paid - In 30 days after issuance, non-payment increased fee 50%. In 60 days the application and permit are void, if payment, including penalty, are not paid.

A-19

UNIVERSITY OF SOUTHERN CALIFORNIA
Institute for Marine and Coastal Studies
UNIVERSITY PARK · LOS ANGELES, CALIFORNIA 90007

Attached are lease stipulations adopted by the Bureau of Land Management covering operations in the Lease Sale 35 area, Southern California Bight.

Stipulation #1 (To apply to all leases resulting fr. . his lease sale)

(a) If the Supervisor, having reason to believe that a site, structure, or object of historical or archeological significance, hereinafter referred to as "cultural resource" may exist in the lease area, shall, within one year from the effective date of this lease, give the lessee written notice that the lessor is invoking the provisions of this stipulation, the lessee shall immediately upon receipt of such notice comply with the following requirements:

Prior to any drilling activity or the construction or placement of any structure for exploration or development on the lease, including, but not limited to, well drilling and pipeline and platform placement, hereinafter referred to as "operation", the lessee shall conduct geophysical surveys to determine the potential existence of any cultural resource that may be affected by such operation. If such geophysical surveys show anomalies that suggest the potential existence of a cultural resource that may be adversely affected by any lease operation, the lessee shall:

(1) relocate the site of such operation so as not to adversely affect the anomaly identified; or (2) establish, to the satisfaction of the Supervisor, on the basis of an archeological survey conducted by a qualified marine archeological surveyor using such survey equipment and techniques as deemed necessary by said marine archeological surveyor, either that such operation will not adversely affect the anomaly identified or that the potential cultural resource suggested by the occurrence of the anomaly does not exist.

All data obtained in the course of any geophysical or archeological surveys conducted pursuant to the provisions hereof shall be submitted to the Supervisor with any application by the lessee for drilling or other activity. After consideration of such data, the Supervisor will prepare a report on his determination regarding the existence of and need for protection of any potential cultural resource, and shall forward such report to the Manager, Pacific OCS Office, Bureau of Land Management, for his review and recommendations. Upon consideration of the recommendations, if any, of the Manager, Pacific OCS Office, the Supervisor will prepare a final report,

a copy of which shall be supplied to the lessee. Should the Supervisor determine in his report, contrary to the contentions of the lessee, that the existence of a cultural resource which may be adversely affected by such operation is sufficiently established to warrant protection, the lessee shall take no action that may result in an adverse effect on such cultural resource until the Supervisor has given directions as to its disposition.*

The lessee agrees that, if any site, structure, or object of historical or archeological significance, hereinafter referred to as "cultural resource", should be discovered during the conduct of any operations on the leased area, he shall report immediately such findings to the Supervisor, and make every reasonable effort to preserve and protect the cultural resource from damage until the Supervisor has given directions as to its disposition.

(b) Structures for drilling or production, including pipelines, shall be kept to the minimum necessary for proper exploration, development and production and to the greatest extent consistent therewith, shall be placed so as not to interfere with other significant uses of the Outer Continental Shelf including commercial fishing. To this end, no structure for drilling or production, including pipelines, may be placed on the Outer Continental Shelf until the Supervisor has found that the structure is necessary for the proper exploration, development, and production of the leased area and that no reasonable alternative placement would cause less interference with other significant uses of the Outer Continental Shelf including commercial fishing. The lessee's exploratory and development plans, filed under 30 CFR 250.34, shall identify the anticipated placement and grouping of necessary structures, including pipelines, showing how such placement and grouping will have the minimum practicable effect on the other significant uses of the Outer Continental Shelf, including commercial fishing.

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*Adversely affected sites which may be eligible for inclusion on the National Register of Historic Places will be handled according to procedures outlined in 36 CFR Part 800 (1974).

Stipulation #2 (To apply to all leases resulting from this lease sale)

The lessee shall have the pollution containment and removal equipment available as required by OCS Order No. 7 of June 1, 1971, as may be amended. Prior to drilling, the lessee shall demonstrate to the satisfaction of the Area Supervisor, U.S. Geological Survey, that said oil spill containment and removal equipment is adequate and deployable in sufficient time to prevent to the maximum extent possible using the best available technology and all reasonable care, spill damage to Areas of Special Biological Significance (ASBS), marine life refuges and/or ecological reserves which occur in closest proximity to the planned production area(s). In the event of a significant oil spill as defined by OCS Order No. 7, or an oil spill of any size or quantity which cannot be immediately controlled, the operator shall immediately notify the Supervisor and deploy the appropriate equipment to the site of the oil spill, unless, because of weather and attendant safety of personnel the Supervisor shall modify this requirement.

Stipulation #3 (To apply to all leases resulting from this lease sale)

(a) Should any new areas of special biological significance be discovered within two (2) years of the lease sale or as a result of BLM Baseline Studies, whichever terminates first, the lease block(s) or portion(s) thereof containing these areas and appropriate buffer zones shall be explored and developed using the best available technology and all reasonable care, to prevent, to the maximum extent possible, detrimental impact upon such areas. The term "best available technology" as used in this paragraph means technology the use of which by the lessee is practical and economically feasible, as determined by the Supervisor.

(b) If within the above specified time limit, the Supervisor has reason to believe that such a site of special biological significance may exist in the lease area, (see 3a) he shall give the lessee written notice that the lessor is invoking the provisions of this stipulation, the lessee

shall immediately upon receipt of such notice comply with the following requirements: prior to any drilling activity or the construction or placement of any structure for exploration or development on lease areas including, but not limited to, well drilling and pipeline and platform placement, hereinafter referred to as "operation", the lessee shall conduct site specific surveys, as approved by the Supervisor, to determine the potential existence of any unique biological resource that may be adversely affected by any lease operation. If such surveys show anomalies that suggest the potential existence of a unique biological resource that may be adversely affected by any lease operation, the lessee shall:

(1) relocate the site of such operation so as not to adversely affect the anomaly identified; or (2) establish, to the satisfaction of the Supervisor, on the basis of the site-specific survey, either that such operation will not adversely affect the anomaly identified or that the potential biological resource suggested by the occurrence of the anomaly does not exist.

All data obtained in the course of any biological surveys conducted pursuant to the provisions hereof shall be submitted to the Supervisor with any application by the lessee for drilling or other activity, with a copy to the Manager, Pacific OCS Office. The Supervisor will prepare a final report, a copy of which shall be supplied to the lessee. Should the Supervisor determine in his report, contrary to the contentions of the lessee, that the existence of a biological resource which may be adversely affected by such operations is sufficiently established to warrant protection, the lessee shall take no action that may result in an adverse effect on such resource until the Supervisor has given the lessee directions with respect to its disposition.

(c) The lessee agrees that, if any site, structure, or object of biological significance should be discovered during the conduct of any operations on the leased area, he shall report immediately such findings to the Supervisor, and make every reasonable effort to preserve and protect the resource from damage until the Supervisor has given the lessee directions with respect to its disposition.

Stipulation #4 (In order to indemnify and save harmless the United States, the following stipulation will apply to leases resulting from this lease sale in tract numbers 35-21, 35-25 thru 35-60 in the Santa Rosa-Cortes North area, tract numbers 35-61 thru 35-171 in the Santa Rosa-Cortes South Area, and tract numbers 35-179, 35-185, 35-196 and 35-203 in the Santa Barbara-Santa Catalina area).

> Whether or not compensation for such damage or injury might be due under a theory of strict or absolute liability or otherwise, the lessee assumes all risks of damage or injury to persons or property, which occurs in, on, or above the Outer Continental Shelf, to any person or persons or to any property of any person or persons who are agents, employees or invitees of the lessee, its agents, independent contractors or subcontractors doing business with the lessee in connection with any activities being performed by the lessee in, on, or above the Outer Continental Shelf, if such injury or damage to such person or property occurs by reason of the activities of any agency of the U. S. government, its contractors or subcontractors, or any of their officers, agents or employees, being conducted as a part of, or in connection with, the programs and activities of the Space and Missile Test Center (SAMTEC), the Pacific Missile Test Center (PMTC), or other appropriate military agency.
>
> The lessee assumes this risk whether such injury or damage is caused in whole or in part by any act or omission, regardless of negligence or fault, of the United States, its contractors or subcontractors, or any of their officers, agents, or employees. The lessee further agrees to indemnify and save harmless the United States against all claims for loss, damage, or injury sustained by the lessee, and to indemnify and save harmless the United States against, all claims for loss, damage, or injury sustained by the agents, employees, or invitees of the lessee, its agents or any independent contractors or subcontractors doing business with the lessee in connection with the programs and activities of the aforementioned military installations and agencies, whether the same be caused in whole or in part by the negligence or fault of the United States, its contractors, or subcontractors, or any of their officers, agents, or employees and whether such claims might be sustained under theories of strict or absolute liability or otherwise.

Stipulation #5 (The following stipulation will apply to all leases resulting from this lease sale in tract numbers 35-21, 35-25 thru 35-60 in the Santa Rosa Cortes North area, tract numbers 35-61 thru 35-171 in the Santa Rosa-Cortes South area and tract numbers 35-179, 35-185, 35-196, and 35-203 in the Santa Barbara-Santa Catalina area).

(a) The lessee agrees that when operating or causing to be operating on its behalf boat or aircraft traffic into individual designated warning areas, the lessee shall coordinate and comply with instructions from the Commander of the appropriate onshore military installation i.e., the Space and Missile Test Center (SAMTEC), the Pacific Missile Test Center (PMTC), or other appropriate military agency, when utilizing an individual designated warning area prior to commencing such traffic. Such coordination and instruction will provide for positive control of boats and aircraft operating into the warning areas at all times

(b) The lessee, recognizing that mineral explorations and exploitation and recovery operations on the leased areas of submerged lands can impede tactical military operations, hereby recognizes and agrees that the United States reserves and has the right to temporarily suspend operations of the lessee under this lease in the interests of national security requirements. Such temporary suspension of operations, including the evacuation of personnel, and appropriate sheltering of personnel not evacuated, (an appropriate shelter shall mean the protection of all lessee personnel for the entire duration of any Department of Defense activity from flying or falling objects or substances) will come into effect upon the order of the Commander, Space and Missile Test Center (SAMTEC) or his authorized designee, the Pacific Missile Test Center (PMTC), or higher authority, that national security interests necessitate such action. It is understood that any temporary suspension of operations ordered by said official may not exceed seventy-two hours, however, any suspension may be extended by order of the Secretary of Defense. During such periods equipment may remain in place.

(c) The lessee agrees to control his own electromagnetic emissions and those of his agents, employees, invitees, independent contractors or subcontractors emanating from individual designated defense warning areas in accordance with requirements specified by the Commander of the

appropriate onshore military installation i.e, the Space and Missile Test Center (SAMTEC), and the Pacific Missile Test Center (PMTC), or other appropriate military agency, to the degree necessary to prevent damage to, or unacceptable interference with, Department of Defense flight, testing or operational activities conducted within individual designated warning areas. Necessary monitoring, control, and coordination with the lessee, his agents, employees, invitees, independent contractors or subcontractors, will be effected by the Commander of the appropriate onshore military installation conducting operations in the particular warning area: Provided, however, that control of such electromagnetic emissions shall permit at least one continuous channel of communication between a lessee, its agents, employees, invitees, independent contractors or subcontractors and onshore facilities.

Stipulation #6 (Portions of Tanner Bank and Cortes Bank are considered to be unique biological areas. To protect them the following stipulations shall apply to all leases resulting from this lease sale in tracts numbered 104, 105, 114, 115, 156, 157, 159, and 160 in the Santa Rosa-Cortes South area).

The Lessee Agrees:

(a) Operations in the zone to 5 miles from the 80 meter isobath around these unique biological areas are restricted as follows: 1) Drill cuttings and drilling muds must be disposed of by barging the materials a minimum of ten miles from any 80 meter isobath surrounding areas of special biological significance. Disposal sites must be approved by the Area Supervisor USGS and must have been coordinated with BLM and Fish and Wildlife representatives. 2) Formation waters must be analyzed for salinity, heavy metals and hydrocarbons. Toxicity tests must be performed. A decision, based upon these analyses and upon the volume of discharge, shall then be made by the Area Supervisor USGS as to whether the formation waters should be re-injected or discharged into the sea. If there is any question regarding the effect of the

formation water upon local marine life, the formation water shall be re-injected. The Area Supervisor may also elect to discharge the formation water, but require the use of diffusers.

(b) No garbage, untreated sewage, or other solid waste shall be disposed from platforms, vessels (workboats, crew-boats, supply boats, pipe-laying vessels) involved with exploration and development operations within the area on each bank bounded by a line five miles from the 80 meter isobath around these unique biological areas.

(c) No drilling permits will be issued by the Supervisor until he has found that the lessee's exploration and development plan, filed under 30 CFR 250.34 is adequate. As a part of the development plan a monitoring program must be included. The monitoring program will be designed to assess the effects of oil and gas exploration and development operations on the viability of these areas. The program will be designed, performed and financed by BLM, with the aid of qualified, independent scientists when necessary. The monitoring team will be available at the time OCS operations in the area begin. The team will submit its findings on a regular basis, or immediately in the case of imminent danger. If OCS operations are shown to be adversely affecting the unique areas, the lessee shall immediately cease or modify his operations to halt or mitigate such adverse effect.

Stipulation #7 (The following stipulation will apply to all leases resulting from this lease sale in tract numbers 35-243 thru 35-297 in the San Pedro Bay area.)

The lessee agrees that in order to control any oil spilled as a result of lease operations from entering Anaheim and Newport bays, the best available technology to control such oil shall be used and shall be available on all fixed or mobile structures located on the lease or similar safeguards shall be available as approved by the supervisor.

Stipulation #8 (The following stipulation shall apply to leases resulting from this lease sale in tract numbers 35-21 and 35-25 through 35-38 in the Santa Rosa-Cortes North area).

> The lessee agrees that in order to control any oil spilled as a result of lease operations from entering on San Miguel, Santa Rosa and Santa Cruz islands, the best available technology to control such oil shall be used and shall be available on all fixed or mobile structures located on the lease or similar safeguards shall be available as approved by the supervisor.

Stipulation #9 (The following stipulation will apply to all leases resulting from this lease sale in tract numbers 35-180, 35-181, 35-182, 35-185, 35-186, 35-187, 35-188, 35-189, 35-196, 35-197, 35-203, and 35-204 in the Santa Barbara-Santa Catalina area.)

> The lessee agrees that in order to control any oil spilled as a result of lease operations from entering on Santa Barbara Island, the best available technology to control such oil shall be used and shall be available on all fixed or mobile structures located on the lease or similar safeguards shall be available as approved by the supervisor.

Stipulation #10 (This stipulation will apply to all leases resulting from this lease sale in tract numbers 35-243 thru 35-297 in the San Pedro Bay area.)

> In the approval of exploration and development plans, including the installation of platforms, the Supervisor shall require the lessee to camouflage all structures by appropriate painting.

Tract Description

13. The tracts offered for bid are as follows:

Note: There is a hiatus in the numbers of the tracts listed. Some of the tracts identified in the final EIS are not included in this notice.

OCS OFFICIAL LEASING MAP, CHANNEL ISLANDS AREA MAP 6A
(Approved August 8, 1966; Revised July 24, 1967)

Tract No.	Block	Description	Acreage
35-21	41N 76W	SW¼SW¼	360
35-25	41N 72W	SE¼SW¼, NE¼SE¼, S½SE¼	1440
35-28	40N 77W	All	5760
35-29	40N 76W	NW¼NE¼, S½NE¼, NW¼, S½	5400
35-30	40N 75W	S½	2880
35-31	40N 74W	SE¼NE¼, S½	3240
35-32	40N 73W	NE¼, E½NW¼, SW¼NW¼, S½	5400
35-33	40N 72W	All	5760
35-36	39N 76W	All	5760
35-37	39N 75W	All	5760
35-38	39N 74W	All	5760
35-39	39N 73W	All	5760
35-40	39N 72W	All	5760
35-44	38N 74W	All	5760
35-45	38N 73W	All	5760
35-46	38N 72W	All	5760
35-50	37N 74W	All	5760
35-51	37N 73W	All	5760
35-52	37N 72W	All	5760
35-56	36N 73W	All	5760
35-57	36N 72W	All	5760

OCS OFFICIAL LEASING MAP, CHANNEL ISLANDS AREA MAP 6B
(Approved August 8, 1966; Revised July 24, 1967)

Tract No.	Block	Description	Acreage
35-26	41N 71W	S½NE¼, S½	3600
35-27	41N 70W	S½NE¼, NW¼, S½	5040
35-34	40N 71W	All	5760
35-35	40N 70W	All	5760
35-41	39N 71W	All	5760
35-42	39N 70W	All	5760
35-43	39N 69W	All	5760
35-47	38N 71W	All	5760
35-48	38N 70W	All	5760

Tract No.	Block	Description	Acreage
35-49	38N 69W	All	5760
35-53	37N 71W	All	5760
35-54	37N 70W	All	5760
35-55	37N 69W	All	5760
35-58	36N 71W	All	5760
35-59	36N 70W	All	5760
35-60	36N 69W	All	5760
35-172	37N 55W	All	5760
35-173	36N 55W	All	5760
35-174	36N 54W	All	5760
35-175	35N 55W	All	5760
35-176	35N 54W	All	5760
35-177	35N 53W	All	5760
35-178	35N 52W	All	5760
35-179	34N 57W	All	5760
35-180	34N 55W	All	5760
35-181	34N 54W	All	5760
35-182	34N 53W	All	5760
35-183	34N 52W	All	5760
35-184	34N 51W	All	5760
35-185	33N 57W	All	5760
35-186	33N 55W	N½	2880
35-187	33N 54W	N½N½	1440
35-188	33N 53W	N½, N½SE¼, SE¼SE¼	3960
35-189	33N 52W	All	5760
35-190	33N 51W	All	5760
35-191	33N 50W	All	5760
35-192	33N 49W	All	5760
35-193	33N 48W	All	5760
35-194	33N 47W	N½, SW¼, N½SE¼, SW¼SE¼	5400
35-195	33N 46W	N½, N½S½	4320
35-196	32N 57W	All	5760
35-197	32N 56W	NW¼, W½SW¼	2160
35-198	32N 51W	All	5760
35-199	32N 50W	All	5760
35-200	32N 49W	All	5760
35-201	32N 48W	All	5760
35-202	32N 47W	N½NW¼, SW¼NW¼, W½SW¼	1800
35-203	31N 57W	All	5760
35-204	31N 56W	W½NW¼, SW¼	2160
35-243	35N 41W	SW¼NW¼, SW¼, W½SE¼, SE¼SE¼	2880
35-244	35N 40W	S½S½	1440
35-250	34N 41W	All	5760
35-251	34N 40W	All	5760
35-257	33N 41W	All	5760
35-258	33N 40W	All	5760

OCS OFFICIAL LEASING MAP, CHANNEL ISLANDS AREA MAP 6C
(Approved August 8, 1966)

Tract No.	Block	Description	Acreage
35-245	35N 39W	All 1/	3338
35-246	35N 38W	All 1/	5011
35-247	35N 37W	All 1/	5395
35-248	35N 36W, 36N 36W	All 1/	4151
35-252	34N 39W	All	5760
35-253	34N 38W	All	5760
35-254	34N 37W	All	5760
35-255	34N 36W	All	5760
35-256	34N 35W, 35N 35W	All 1/	4125
35-259	33N 39W	All	5760
35-260	33N 38W	All	5760
35-261	33N 37W	All	5760
35-262	33N 36W	All	5760
35-263	33N 35W	All	5760
35-264	33N 34W	SW¼NW¼, SW¼, SW¼SE¼	2160
35-265	32N 39W	All	5760
35-266	32N 38W	All	5760
35-267	32N 37W	All	5760
35-268	32N 36W	All	5760
35-269	32N 35W	All	5760
35-270	32N 34W	All	5760
35-271	32N 33W	SW¼NE¼, W½NW¼, SE¼NW¼, S½	4320
35-272	32N 32W	NW¼SW¼, S½SW¼	1080
35-273	31N 37W	All	5760
35-274	31N 36W	All	5760
35-275	31N 35W	All	5760
35-276	31N 34W	All	5760
35-277	31N 33W	All	5760
35-278	31N 32W	NW¼NE¼, S½NE¼, NW¼, S½	5400
35-279	31N 31W	SW¼, SW¼SE¼	1800
35-280	30N 36W	All	5760
35-281	30N 35W	All	5760
35-282	30N 34W	All	5760
35-283	30N 33W	All	5760
35-284	30N 32W	All	5760
35-285	30N 31W	All	5760
35-286	30N 30W	W½SW¼	720

CHANNEL ISLANDS AREA MAP 6C (contd.)

Tract No.	Block	Description	Acreage
35-287	29N 35W	All	5760
35-288	29N 34W	All	5760
35-289	29N 33W	All	5760
35-290	29N 32W	All	5760
35-291	29N 31W	All	5760
35-292	29N 30W	SW¼NE¼, NW¼, S½	4680
35-293	28N 34W	All	5760
35-294	28N 33W	All	5760
35-295	28N 32W	All	5760
35-296	28N 31W	All	5760
35-297	28N 30W	All	5760

OCS OFFICIAL LEASING MAP, CHANNEL ISLANDS AREA MAP 6D
(Approved August 8, 1966)

Tract No.	Block	Description	Acreage
35-61	20N 65W	All	5760
35-62	20N 64W	All	5760
35-63	20N 63W	All	5760
35-64	20N 62W	All	5760
35-65	20N 61W	All	5760
35-66	20N 60W	All	5760
35-67	19N 65W	All	5760
35-68	19N 64W	All	5760
35-69	19N 63W	All	5760
35-70	19N 62W	All	5760
35-71	19N 61W	All	5760
35-72	19N 60W	All	5760
35-73	18N 64W	All	5760
35-74	18N 63W	All	5760
35-75	18N 62W	All	5760
35-76	18N 61W	All	5760
35-77	18N 60W	All	5760
35-78	17N 63W	All	5760
35-79	17N 62W	All	5760
35-80	17N 61W	All	5760
35-81	17N 60W	All	5760
35-82	17N 59W	All	5760

Tract No.	Block	Description	Acreage
35-83	17N 58W	All	5760
35-84	16N 67W	All	5760
35-85	16N 62W	All	5760
35-86	16N 61W	All	5760
35-87	16N 60W	All	5760
35-88	16N 59W	All	5760
35-89	16N 58W	All	5760
35-90	16N 57W	All	5760
35-91	15N 67W	All	5760
35-92	15N 66W	All	5760
35-93	15N 60W	All	5760
35-94	15N 59W	All	5760
35-95	15N 58W	All	5760
35-96	15N 57W	All	5760
35-97	15N 56W	All	5760
35-98	14N 66W	All	5760
35-99	14N 65W	All	5760
35-100	14N 61W	All	5760
35-101	14N 60W	All	5760
35-102	14N 59W	All	5760
35-103	14N 58W	All	5760
35-104	14N 57W	All	5760
35-105	14N 56W	All	5760
35-106	14N 55W	All	5760
35-107	13N 66W	All	5760
35-108	13N 65W	All	5760
35-109	13N 64W	All	5760
35-110	13N 61W	All	5760
35-111	13N 60W	All	5760
35-112	13N 59W	All	5760
35-113	13N 58W	All	5760
35-114	13N 57W	All	5760
35-115	13N 56W	All	5760
35-116	13N 55W	All	5760
35-117	13N 54W	All	5760
35-118	12N 65W	All	5760
35-119	12N 64W	All	5760
35-120	12N 61W	All	5760
35-121	12N 60W	All	5760
35-122	12N 59W	All	5760
35-123	12N 58W	All	5760

Tract No.	Block	Description	Acreage
35-124	12N 57W	All	5760
35-125	12N 56W	All	5760
35-126	12N 55W	All	5760
35-127	12N 54W	All	5760
35-128	12N 53W	All	5760
35-129	11N 68W	All	5760
35-130	11N 67W	All	5760
35-131	11N 65W	All	5760
35-132	11N 64W	All	5760
35-133	11N 63W	All	5760
35-134	11N 61W	All	5760
35-135	11N 60W	All	5760
35-136	11N 59W	All	5760
35-137	11N 58W	All	5760
35-138	11N 57W	All	5760
35-139	11N 56W	All	5760
35-140	11N 55W	All	5760
35-141	11N 54W	All	5760
35-142	11N 53W	All	5760
35-143	10N 67W	All	5760
35-144	10N 66W	All	5760
35-145	10N 64W	All	5760
35-146	10N 63W	All	5760
35-147	10N 61W	All	5760
35-148	10N 60W	All	5760
35-149	10N 59W	All	5760
35-150	10N 58W	All	5760
35-151	10N 57W	All	5760
35-152	10N 56W	All	5760
35-153	10N 55W	All	5760

OCS OFFICIAL LEASING MAP, CHANNEL ISLANDS AREA MAP 6E
(Approved August 8, 1966)

Tract No.	Block	Description	Acreage
35-154	9N 63W	All	5760
35-155	9N 60W	All	5760
35-156	9N 59W	All	5760
35-157	9N 58W	All	5760

Tract No.	Block	Description	Acreage
35-158	8N 63W	All	5760
35-159	8N 59W	All	5760
35-160	8N 58W	All	5760
35-161	7N 67W	All	5760
35-162	7N 66W	All	5760
35-163	7N 59W	All	5760
35-164	7N 58W	All	5760
35-165	6N 67W	All	5760
35-166	6N 66W	All	5760
35-167	6N 59W	All	5760
35-168	6N 58W	All	5760
35-169	5N 67W	All	5760
35-170	5N 66W	All	5760
35-171	4N 67W	All	5760

1/ That portion seaward of the three geographic mile line

14. Some of the tracts may fall in prohibited dumping areas and in Fairways, precautionary zones, traffic separation schemes or in areas where application is pending for a shipping safety fairway. For the location of those areas and operational restrictions which will or might be imposed, the District Engineer, U.S. Army Engineer District, Los Angeles, Corps of Engineers should be consulted.

Suggested Bid Form

15. It is suggested that bidders submit their bids in the following form:

Oil and Gas Bid

The following bid is submitted for any oil and gas lease on the land of the Outer Continental Shelf specified below:

Tract No.	Total Amount Bid	Amount Per Acre	Amount of Cash Bonus Submitted with Bid
_____	_____	_____	_____

Proportionate Interest of Company Submitting Bid

Qualification File No._____ _____% _____
Company

_____
Address

_____
Signature
(Please type signer's name under signature)

NOTE: In the case of joint bids, each joint bidder must execute the following statement before a notary public:

I hereby certify that _____(entity submitting bid) is not disqualified from joint bidding under 43 CFR 3302.3-4(c).

_____
Signature

Sworn to and subscribed before me this_____day of_____19____

_____
NOTARY PUBLIC

State of_____

(County) of _____

16. Withdrawal of Tracts. The United States reserves the right to withdraw any tract from this sale prior to the issuance of a written acceptance of a bid for that tract.

Director, Bureau of Land Management

Approved:

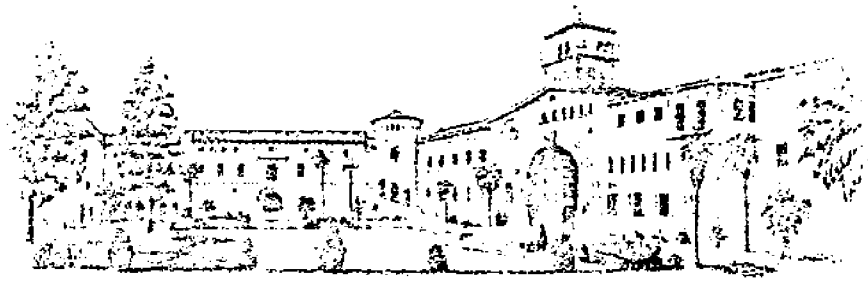
Secretary of the Interior

COUNTY OF SANTA BARBARA

A-20

ALBERT F. REYNOLDS
Director

105 E. Anapamu St.
Santa Barbara, Calif. 93101
Telephone 966-1611



DEPARTMENT OF ENVIRONMENTAL RESOURCES

TO: Honorable Board of Supervisors
County of Santa Barbara
County Administration Building

FROM: Albert F. Reynolds
Director, Department of Environmental Resources

DATE: April 11, 1978

RE: Proposed OCS Lease Stipulations

Recommendation:

That your Board approve the 14 attached proposed Lease Stipulations and transmit them to Secretary of Interior Andrus, requesting that he attach them to leases sold in the proposed Lease Sale 48.

Background:

On April 3 your Board reviewed 14 Lease Stipulations presented by the Department of Environmental Resources for approval and transmittal to the Secretary of Interior. Your Board instructed our consultant, Patrick Heffernan of RESOURCES, to meet with representatives of the oil industry and the Western Oil and Gas Association to receive and discuss their comments on the proposed stipulations. Mr. Heffernan met with industry representatives and the county Petroleum Administrator last week, received their comments on the proposed stipulations, and discussed each one in detail. No technical errors, errors of fact or law were identified by the industry during the meeting. The industry comments and objections centered upon:

(1) Claimed duplication and redundancy with existing and proposed Operating Orders issued by the U.S. Geological Survey;

(2) Resistance to expanded role of state and local government in the management of OCS resources and impacts on the coastline;

(3) Lack of technical competence within state and local staffs.

Our consultant has made minor modifications of the proposed stipulations as a result of the meeting, including changes requested by the Petroleum Administrator who now concurs with the recommended stipulations. However, the objections of the industry do not convince Mr. Heffernan nor me that the proposed stipulations are redundant or should be withdrawn. In fact, as a result of the meeting, we strongly feel that stipulations are more crucial for the protection of the county's interest in the event that the proposed Lease Sale 48 is held. Our reasons are:

(1) Lease stipulations are the only permanently binding conditions that can protect the interest of the public in OCS development. Once adopted by the Secretary of Interior and attached to specific leases, the stipulations remain in force for the full term of the lease, even if it is extended, as many tracts have been in the Santa Barbara Channel. Operating orders and regulations can be changed or revoked at any time by the USGS Regional Supervisor, with the concurrence of the Division Chief. No notice of revisions of Operating Orders is provided to state or local government, other than publication in the Federal Register.

(2) Industry knowledge of lease conditions before bidding. Because the Secretary will announce the lease stipulations he plans to attach to offered tracts, potential bidders will know in advance the conditions under which the lease may be developed and can therefore adjust their bids accordingly. This avoids the uncertainty of depending on Operating Orders which may be changed, thus changing the lease conditions and the cost of development.

(3) Lease stipulations provide a voice in the management of OCS resources and impacts for local government. Secretarial Order 2974 provides for internal coordination and review of proposed Operating Orders and changes in existing Orders. No role is provided for input from state or local government, which are usually unaware of changes or Proposed Operating Orders. Recommendations from local governments of lease stipulations, requested by the BLM for consideration in the DEIS, gives Santa Barbara County a voice in the regulation of OCS development not otherwise available.

(4) Proposed stipulations do not duplicate existing Operating Orders. Our consultant and I have reviewed existing Operating Orders for the Western Region and have found no duplication with the proposed lease stipulations. A number of proposed National Operating Orders now being circulated by a special Interior task force in Washington cover a few of the same topics, but do not mandate the role of local government review and comment included in the stipulations before you. Similarily, existing regional Operating Orders that refer to environmental protection do not provide for the input and review by local government contained in the stipulations before you.

(5) Safeguards against duplication in the adoption of Lease Stipulations. The Solicitor General of the Department of Interior reviews all lease stipulations recommended to the Secretary for his final decision and revises any that duplicate or contradict existing regulations or laws, unless the Secretary wishes to provide an extra measure of protection for a tract by duplicating existing regulations in the lease stipulations.

(6) Precedent exists for the recommendation and adoption of lease stipulations. Recent lease sales in Alaska and the South Atlantic have contained lease stipulations similar to those proposed. Specifically, lease stipulations limiting the transportation options of the operators, an item which received especially heavy opposition from the industry, have been attached to recent lease sales. The Los Angeles office of the BLM requested recommendations from Santa Barbara County and intends to review and publish stipulations in the Lease Sale 48 DEIS.

The 14 stipulations before you have been reviewed by the county Petroleum Administrator and met with his approval. The air quality provisions were written by the County Director of Air Pollution Control. Marvin Levine of the County Counsel's office has also reviewed the proposed stipulations and has determined that they neither duplicate or contradict existing USGS Operating Orders. The industry and Western Oil and Gas Association have understandable differences with stipulations proposed by Santa Barbara County or others, and these differences should be aired and discussed. Opportunity for review and comment by the industry and others is available at several points prior to adoption by the Secretary of Interior. Opportunities include publication in the DEIS, public hearings, publication in the Federal Register, and opportunity for written comment.

Recommendation of these stipulations by your Board will constitute an expression of this County's policy goals of balancing environmental and safety considerations with energy recovery, and will begin the review process at the Federal level. The stipulations before you will protect the county's interest in the Channel and insure the county a voice in the management of impacts from OCS development if Lease Sale 48 goes ahead. I urge your approval and transmittal of these proposed stipulations to Secretary Andrus.

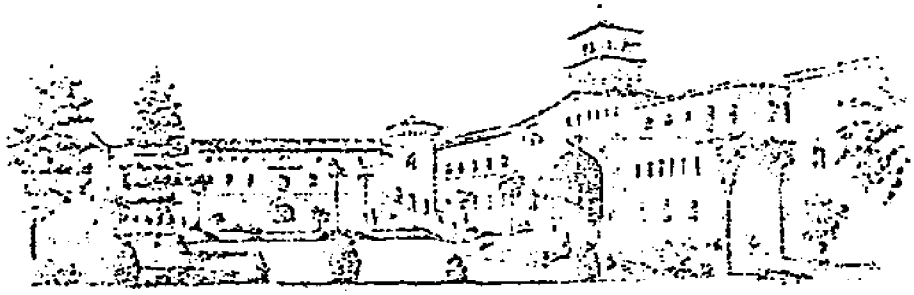
Sincerely,

Albert F. Reynolds

Albert F. Reynolds, Director
Department of Environmental Resources

AFR:sgk

cc: Petroleum Administrator
County Counsel
Director of Air Pollution Control



COUNTY OF SANTA BARBARA

BOARD OF SUPERVISORS

105 East Anapamu Street

Santa Barbara, California 93101

April 17, 1978

Secretary Cecil Andrus
Department of the Interior
C Street between 18th, 19th Streets, N.W.
Washington, D.C. 20240

Dear Secretary Andrus:

The Board of Supervisors of Santa Barbara County is respectfully submitting the attached Proposed Lease Stipulations for your consideration for adoption in the event you proceed with Lease Sale 48 as scheduled. We have sent copies of the proposed stipulations to the Manager of the Pacific Outer Continental Shelf Office of the Bureau of Land Management as requested in a meeting with our staff and representatives of Governor Brown's office on March 7, 1978.

In drafting the proposed stipulations, we have reviewed stipulations adopted in lease sales in Alaska and other areas, as well as recommendations sent to your office by Governor George Buzbee of Georgia. We feel that the adoption of the proposed stipulations will greatly assist in the protection of the environmental and economic resources of the Santa Barbara Channel if you determine its oil and gas resources are needed for the nation's energy supply in the 1980's and 1990's.

We appreciate the efforts you and your predecessors have made to strengthen the role of local governments in the environmental assessment and lease sale decision processes.

Since the lease stipulations are the only legally binding instruments available, we hope they can be used to increase the effectiveness of local government input into the management of our common resources.

Thank you for your consideration.

Sincerely,

Robert Kallman, Chairman
County of Santa Barbara
Board of Supervisors

RK:AFR:PHH:bh
encs.
cc: Peter Tweedt, D.O.I.
William Grant, BLM
Allan Lind, OPR

1. ENVIRONMENTAL TRAINING PROGRAM

The (lessee) shall include in his exploration and development plans submitted under 30 CFR 250.43, a proposed environmental training program for all personnel involved in exploration or development activities (including personnel of lessee's contractors and subcontractors), for review and approval by the Supervisor pursuant to this Stipulation. The program shall be designed to inform each person working on the project of specific types of environmental, social, and cultural concerns which relate to the individual's job. This will also include special instruction for rig personnel, drillers, etc., who are actually involved in the drilling of exploratory and production wells, and the construction onsite and location of platforms, rigs, and other facilities. The proposed environmental training program shall also be provided to the contiguous local government agencies and to the State Office of Planning and Research for their review and comment. The program shall be formulated and implemented by qualified instructors experienced in each pertinent field of study and shall employ effective means to insure that personnel understand and use techniques necessary to preserve archaeological, geological, biological, and economic resources.

The lessee shall also submit for review and approval to the Supervisor a continuing technical environmental briefing program for the supervisory and managerial personnel of the lessee and its agents, contractors, and subcontractors. Copies of the continuing technical environmental briefing program shall be provided to affected local government agencies and the State Office of Planning and Research for their review and comment.

2. TRANSPORTION OF OIL AND GAS

The lessor reserves the right to determine whether oil produced pursuant to the terms of this lease will be transported to shore facilities by means of a pipeline, barges, tanker, or other appropriate means, and from shore facilities to market by means of pipeline, barges, tankers or other appropriate means. The lessor's decision regarding selected means of transportation will be made after review by the Supervisor of the feasibility studies and recommendations of the Joint Industry/Government Pipeline Working Group and other intergovernmental planning programs for the assessment and management of production and transportation of our continental shelf oil and gas. The lessee agrees that, when feasible, all pipelines, including both flowlines and gathering lines for oil and gas, and lines for the movement of processed oil to refineries, shall be buried to a depth suitable for adequate protection from water currents, storm scouring, fisheries, trawling gear, and other uses as determined on a case by case basis by the lessor or its designee.

In the case in the movement of production, from the Santa Barbara Channel, or other areas of special biological, cultural or economic significance, wherever feasible as determined by feasibility studies conducted by the Joint Industry/Government Pipeline Working Group or its successor, on-shore pipelines will be used to transmit processed oil and gas from on-shore or off-shore processing plants to refineries. Barging or tankering of production will be permitted only in case of emergencies or under special circumstances as determined by the Supervisor after review and consultation with the Pipeline Working Group. Continuous barging or tankering will not be permitted in the event the on-shore pipeline for the movement of crude processed oil from on-shore or off-shore processing plants to refineries is found by feasibility study to be the most environmentally sound method of transportation. The United States reserves the right to determine the method of transportation of production.

3. UNITIZATION AND CONSOLIDATION

Unless the lessee can demonstrate to the safisfaction of the Supervisor and to the Governor of California that it would not be in the interest of conservation, all reservoirs underlying Lease Sale 48 which extend into one or more other leases, as indicated by drilling and other information made available to the Supervisor and the Governor, shall be operated and produced only under a unit agreement including such other lease, and approved by the Supervisor. Such a unit agreement shall provide for the fair and equitable allocation of production and costs. The Supervisor, after consultation with the Governor of California, shall prescribe the method of allocating production and costs in the event operators are unable to agree on a method acceptable to him. Proprietary data furnished to the Supervisor shall not be made available to the Governor unless adequate assurances have been provided aginst its release.

Unless the lessee can demonstrate to the satisfaction of the California Coastal Commission, the Office of the Governor of California, and the Supervisor, that is would not be in the interest of conservation, environmental protection, and most efficient land use, that production from tracts leased in Sale 48 will be processed in individually owned and operated on-shore processing plants, such processing plants shall, whenever technically feasible, be consolidated, as specified by the policies of the California Coastal Commission and the California Coastal Act.

4. GEOLOGIC HAZARDS AND SPECIAL DRILLING SAFEGUARDS

The lessee shall make available to the Governor of the State of California and to the Supervisor, and to interested local governments, upon request, any shallow hazards or other geological hazards discovered in the exploration process or in the beginning of a development process. Data obtained by the lessee or his agents or contractors, shall be made available for review by the Governor, the interested local governments, and the Supervisor, and shall also make available any studies as may be conducted by the lessee, pursuant to terms of this lease.

After review of information, data and studies submitted by the lessee, the Supervisor, after consultation with the Office of the Governor of California and affected local governments, shall prescribe special drilling techniques and/or safeguards that will be implemented by the lessee in the exploration and development of leases in which geologic and other hazards have been identified. The lessee agrees to operate the lease in a manner best determined to avoid the hazard, or the potential for blowouts or spills caused by geologic or other identified hazards. Special techniques may include, but are not limited to, relocation of platforms, drilling structures, etc. in order to avoid hazards identified during the exploratory program. Proprietary information shall not be provided to the Governor without adequate assurances against its release.

5. MONITORING AIR AND WATER QUALITY

Lessees shall be required to install equipment for the monitoring of the quality of the air and water in the vicinity of lease operations, exploration, and production, as specified by the Supervisor. Equipment shall monitor releases of air pollution emissions, including but not limited to hydrocarbons, oxides of sulfur, particulates, and others as specified in the National Ambient Air Quality Standards; collection of data on wind and wave speed, direction, and other data; quality of water as affected by introduction of drill cuttings and drilling muds in the area; disturbance of fish and wildlife as determined by counts and population studies of fish and wildlife in the area; and other biologic and ecologic indicators as specified by the Supervisor and as identified in the base line study required under the Outer Continental Shelf Lands Act. Lessee shall make available upon request all data, information, reports, films, tapes, etc. generated by monitoring equipment specified by the Supervisor, to state and local governments without undue delay. All operators, their personnel and subcontractors, shall cooperate and assist to the fullest extent possible in the furtherance of the monitoring studies and the provision of information to state and local and federal agencies

6. DEVELOPMENT OF NATURAL GAS

Lessee shall immediately and accurately report the location and estimates of the magnitude of finds of natural gas to the Supervisor and to the Office of the Governor of California. Upon determination by the Supervisor, after consultation with the lessee and the Office of the Governor of California, and the Energy Resources Conservation and Development Commission, and the Public Utilities Commission of California, the Supervisor shall determine if the magnitude of the discovery merits commercial development. If Supervisor determines that the gas discovery is commercial in size and quality, the lessee shall develop it fully consistent with good reservoir engineering practice, providing natural gas to the adjacent state or other states through pipelines in order to meet the goals of the National Energy Policy. Lessees shall not be allowed to unnecessarily reinject natural gas into the formation to avoid requirements for its development, nor shall lessees be allowed to fail to develop commercial discoveries of natural gas as identified by the Supervisor. Failure to report discoveries of potential commercial amounts of natural gas will constitute a breach of this lease.

7. OFFSHORE STORAGE AND TREATMENT (OS & T)

Lessee shall not construct, locate, or otherwise utilize equipment known as "OS & T's" or offshore storage and terminals" for the purpose of processing and storing outer-continental shelf production for later transportation to refineries. All production, both oil and gas, from the outer-continental shelf Lease Sale 48, shall be, whenever technically feasible, pipelines to on-shore processing plants for processing and movement to market. The Supervisor, after consultation with the Office of the Governor, the California Coastal Commission, and affected local governments, may exempt lessees from this prohibition in the event that he determines that pipelining and/or barging or tankering of Lease Sale 48 production to shore for processing and movement to market is not technically feasible, would unduly increase danger to the environment or the health and safety of nearby communities, and the employees of the lessee.

8. SPILL CLEANUP AND CONTAINMENT OF EQUIPMENT

Lessee shall be required to install, maintain, upgrade and operate oil spill prevention, containment, and cleanup devices in accordance with the development of technology, installing and utilizing the best available technology. Devices shall be upgraded from time to time when necessary, with the addition of new devices, the replacement of existing devices or the adoption of new techniques in accordance with the safety and pollution regulations relating to public health, safety, or environmental protection from time to time promulgated by the Environmental Protection Agency, United States Geological Survey, Bureau of Land Management, or the United States Coast Guard.

Lessees shall require of their personnel and subcontractors, by written contract, the prevention of dumping of equipment or other material (toxic or otherwise) into the ocean. Lessees shall be required to educate their personnel and the subcontractors concerning the problems caused by equipment dumping and the standards and criteria of the Ocean Dumping Act. Lessees shall be required to educate their personnel, including subcontractors, in the prevention of unnecessary oil spills, the containment and the use of containment equipment, and the cleanup of oil spills and the use of cleanup equipment. This stipulation applies not only to structures placed on the sea bed in the outer-continental shelf, but also to on-shore structures operated by the lessees or their customers, contractors, subcontractors or partners, for the processing, storage, transportation of production from Lease Sale 48. Lessee shall place or cause to be placed in on-shore locations as specified by the California Coastal Commission, the Office of the Governor of California, with the concurrence of the Supervisor and by the adjacent counties, such oil spill prevention, containment, and cleanup equipment as is found necessary to protect the biologic, ecologic, and economic resources of the coast of California and the waters of the Southern California Bight.

9. AREAS OF BIOLOGICAL SIGNIFICANCE

If the Supervisor, having reason to believe that an area of special biological significance, as identified by the State of California or affected local governments, may exist in the lease area, gives the lessee written notice that the lessor is invoking the provisions of this Stipulation, the lessee shall, upon receipt of such notice, comply with the following requirements:

> Prior to any drilling activity, or the construction or placement of any structure for exploration or development of lease areas including, but not limited to, well drilling and pipeline and platform placement, hereinafter in this Stipulation referred to as "operation", the lessee shall conduct block-wide or site-specific surveys, as approved by the Supervisor after consultation with the Office of the Governor of California, and the affected local government, to determine if the block or site contains special biological communities that may be adversely affected by any lease operation. If the surveys indicate the existence of such communities, the lessee shall: (1) establish, to the satisfaction of the Supervisor, that such operation will not have a significant adverse affect on the community identified; or (2) modify its operating procedure or equipment location to minimize the impact of the operation on the biological and ecological resources of the area. Such modification shall be approved by the Supervisor.

All data obtained in the course of any biological surveys conducted pursuant to the provisions hereof shall be submitted in a Report to the Supervisor with copies to the Office of the Governor, and the Coastal Zone Commission, prior to or with any application by the lessee for drilling or any other activity. A copy shall also be sent to the Manager of the Pacific Outer-Continental Shelf Office of the Bureau of Land Management. Should the Supervisor determine that the existence of a biological resource which may be adversely affected by such operation exists, the lessee shall take no action that may result in any adverse effect on such resource until the Supervisor has given the lessee directions with respect to that resource.

The lessee agrees that, if any community of special biological significance should be discovered during the conduct of any operations on the leased area, he shall report such findings to the Supervisor, and make every reasonable effort to preserve and protect the resource from damage until the Supervisor has given the lessee directions with respect to the resource.

An area of special biological significance shall mean "any area of resource which meets one of the following criteria:

1) High intensity fin fish catch or shell fish catch areas;
2) A spawning ground for fin fish, shell fish or other aquatic life;
3) A breeding ground for mammals or birds, or haul out ground for marine mammals;
4) A critical habitat for rare or endangered species;
5) Any other areas which are essential to the prevention of waste, or conservation of the natural or biological resources of the outer-continental shelf.

10. CULTURAL RESOURCES

If the Supervisor has a reason to believe, after consultation with the California Coastal Commission, the Office of the Governor of California, and the adjacent local governments, that a site, structure, or object of historical or archaeological significance hereinafter referred to as "cultural resource", may exist in the lease area, gives the lessee written notice that the lessor is invoking the provisions of this Stipulation, the lessee shall, upon receipt of such notice, comply with the following requirements:

Prior to any drilling activity or the construction or placement of any structure for exploration or development on the lease, including, but not limited to, well-drilling and pipeline and platform placement, hereinafter in this Stipulation referred to as "operation", the lessee shall conduct remote sensing survey and other research to determine the potential significance of any cultural resource that may be affected by any such operations. All data produced by such remote sensing and other research as well as other pertinent natural and cultural environmental data, shall be examined by a qualified marine survey archaeologist and made available to the state, and local adjacent communities to determine if indications are present suggesting the existence of a cultural resource that may be adversely affected by any lease operation. A report of this survey and assessment shall be prepared by the Marine Survey Archaeologist and shall be submitted by the lessee to the Supervisor and to the Manager of the Pacific Outer-continental Shelf Office of the Bureau of Land Management, to the Office of Planning and Research of the Governor's office in California, and to appropriate agencies of affected local government.

If such cultural resource indicators are present, the lessee shall: 1) locate the site of such operation so as not to adversely affect the identified location; or 2) establish to the satisfaction of the Supervisor, on the basis of further archaeological investigation conducted by a qualified Marine Survey Archaeologist or Underwater Archaeologist, using such survey equipment and techniques as deemed necessary by the Supervisor, either that such operation will not adversely affect the location identified or that the potential cultural resource suggested by the indicators does not exist.

The lessee agrees that if any site, structure, or object of historical or archaeological significance should be discovered during the conduct of any operations on the leased areas, he shall report immediately such findings to the Supervisor, and make every reasonable effort to preserve and protect the cultural resource from damage until the Supervisor has given directions as to its disposition.

11. NOTICE OF ONSHORE SUPPORT ACTIVITY

To assist coastal communities in planning for the impact of activities during exploration under this lease, the lessee shall submit, for review and comment, to the Governor of the State of California, and to local jurisdictions that will be directly affected by these activities a "Notice of Support Activity for the Exploration Program" (called hereinafter in this Stipulation "Notice"). When the lessee has doubts as to which local jurisdiction shall be informed, he will be guided by the advice of the Supervisor, or the Office of Planning and Research of the Governor of California. The lessee shall not be required to include privileged information in the Notice. A lessee shall have discretion whether to submit a 30 CFR 250.34 plan on a lease or to submit a Notice in connection with two or more plans on one or more leases. The Notice shall not be subject to approval or disapproval by the Supervisor.

A copy of the Notice shall be submitted to the Supervisor and the Office of the Governor and the affected local governments simultaneously with, or prior to, the Exploration Plan with a certification that it has been submitted to the Governor of California and to the local jurisdictions that will be directly affected by activities under the Plan. If the lessee shall submit a Notice in connection with two or more Exploration Plans, he shall not be required to submit additional copies of the Notice, but may instead, refer to that previous submission. Before the Supervisor approves or disapproves the Exploration Plan, he shall allow at least thirty (30) days from the date of receipt of the certification for the Governor and the local jurisdiction to submit comments on the Notice to him as well as to the lessee. Subsequent to the submission of the certification, significant changes in estimated support activities will be forwarded by the lessee, as an amendment to the Notice to the Supervisor, to the Governor, and the local jurisdictions that will be directly affected by the Program.

The Notice shall include with respect to the lessee and his contractors:

1) A description of the facilities, including the site and size, that may be constructed, leased, rented, or otherwide procured in the affected area;

2) The location and amount of acreage required within a state or facilities, including the need for storage of various supplies;

3) An estimate of the frequency of boat and aircraft departures and arrivals on a monthly basis, and the onshore location of terminals.

4) The approximate number of persons who are expected to be engaged in onshore support activities and transportation, the approximate number of local personnel who are expected to be employed for or in support of the exploration program, and the approximate total number of persons expected to be employed for the exploration program;

5) Estimates of the approximate addition to the population, on a county basis, due to exploration and/or development, and the approximate kind and level of county or municipal services that will be required;

6) An estimate of taxes, both property and income, the exploration and development will generate;

7) The onshore address of the lessee's operation officers and the contractor's offices involved in exploration and development;

12. SEA BIRD AND MARINE MAMMAL ROOKERIES

To reduce the impact of human disturbance, (i.e., aircraft and vessel traffic and development in production operations) at sea bird colonies and marine mammal rookeries and haul-out areas, boats, drill barges, drill rigs will be routed and/or implaced at least three miles from all colonies, rookeries and haul-out areas. In addition, during this period, fixed wing and rotary aircraft must maintain a one mile horizontal and a one hundred foot vertical distance from sea bird colonies and marine mammal rookeries and haul-out areas.

The list and geographic location of major sea bird colonies and marine mammal rookeries will be available from the Manager of Pacific Outer-continental Shelf Office of the Bureau of Land Management, or from the staff of the California Coastal Commission Office in San Francisco. The location of any major-colonies, rookeries or haul-out areas discovered in the future will be submitted to the Manager of the Pacific Outer-continental Shelf Office, and to the Staff of the Coastal Commission for addition to the present list. Human safety will at all times take precedence over the provisions of this Stipulation.

13. COOPERATION WITH LOCAL GOVERNMENT

The Department of the Interior recognizes the special human and environmental problems of the Santa Barbara Channel and the Southern California Bight, and expects lessees to work closely with state and local officials to minimize potential conflicts with commercial fishing, tourism, and other energy project vessel traffic and to minimize any adverse affects upon shore development. In enforcing safety and environmental conservation laws and regulations the Supervisor will require the use of the best available and safest technology which the Secretary determines to be feasible, and will cooperate with the relevant Federal agencies in the State of California.

The Department of Interior will seek the advice of the State of California and other Federal agencies, and local governments, to identify areas of special concern which might require the burial of pipelines, alternative methods for disposal of drilling muds and formation waters, and the reduction and/or monitoring of boats and air traffic in the Santa Barbara Channel and entrances to ports and harbors in the Southern California Bight.

14. AIR POLLUTION

Operators shall use the best achievable control technology to prevent or reduce air emissions as required by Clean Air Act. An air quality impact analysis for any new or modified source capable of emitting five pounds per hour of any contaminant shall be required. Complete concurrence of the local APCD when new source review applications are submitted to EPA for completeness of support information and the ability to meet local rules and regulations for mass emission requirements shall be required.

Conditions include the implementation and operation of an ambient air monitoring program. Monitoring will begin one year prior to commencing lease or project operation and continue indefinitely. Gaseous pollutants including THC less Methane measured with , SO_2, NO, NO_2, NO_x, TSP, SO_4 and ozone. Meteorological parameters will include wind speed and direction and atmospheric stability (Delta temperature). Collection of ambient air quality data will document any significant deterioration of the atmosphere and insure the maintenance of ambient air quality standards.

A. The monitoring program shall state specific monitoring locations, criteria for selection of the location, operation and equipment maintenance program, and reduction of data. Final site determinations shall be subject to Air Pollution Control District's approval.

B. The following lists the parameters measured at each site:
1st site
THC (less Methane)
SO_2
SO_4
NO
NO_2
NO_x
TSP
Ozone

Wind Speed and Direction
Atmospheric stability (Marine and Onshore Location) Delta Temperature

C. All monitoring equipment must be housed in temperature controlled structures ($3.0^{o}c$).

D. All air quality, meteorological and data reduction systems must use instrumentation approved by Santa Barbara Air Pollution Control District before installation.

E. Data shall be recorded continuously on both strip chart recorders and magnetic tape data acquisition system compatible for play back on Santa Barbara County Air Pollution Control District's data reduction equipment.

F. Reduced data will be also supplied to Santa Barbara County Air Pollution Control District and the California Air Resources Board on standard ARB monthly data from, TSD - 1 (4/77) no later than 14 days after the end of each month of monitoring for all gaseous parameters. Particulate and sulfate data shall be delivered no later than 6 weeks after each month of monitoring on ARB Form TSD-3 (4/77).

G. Magnetic tape cassette recordings of allpollutant and meterological data will be delivered to Santa Barbara County Air Pollution Control District no later than 14 days after the end of each month of monitoring for transcription of data on the Air Pollution Control District's playback equipment. Strip chart recordings will also be delivered to the APCD at the same time.

H. All data collected will be considered public data and available for public inspection or duplication.

I. Operation and maintenance of the monitoring program shall be conducted by professional individuals or contracting firms with a minimum of 3 years direct field experience in the use of air quality and meteorological monitoring instrumentation. A resume of work experience shall be supplied to the Santa Barbara County Air Pollution Control District upon request for any individual directly involved in the monitoring program.

J. A documented quality assurance plan must be sumbitted to the APCD for approval 30 days prior to the beginning of ambient air monitoring. The quality assurance plan shall conform to the requirements of the SBAPCD, California Air Resources Board and the United States Environmental Protection Agency for the operation and maintenance of an ambient air monitoring program.

K. Calibration of equipment shall be conducted on all sensors and data reduction equipment in a manner and at intervals specified by the SBAPCD. Records of all dynamic calibrations shall be supplied to SBAPCD no later than 7 days after each calibration.

L. The SBAPCD and CARB staff shall have immediate access to monitoring locations for either inspections or auditing the air monitoring program.

M. To insure that all data collected is reliable and valid, the ambient air monitoring program must follow the quality assurance plan approved by SBAPCD and CARB. This plan must include submission of site criteria to CARB and designation of ARB site numbers for each monitoring location to allow data to be filed in the ARB data bank.

4. GEOLOGIC HAZARDS AND SPECIAL DRILLING SAFEGUARDS

The lessee shall make available to the Governor of the State of California and to the Supervisor, and to interested local governments, upon request, any shallow hazards or other geological hazards discovered in the exploration process or in the beginning of a development process. Data obtained by the lessee or his agents or contractors, shall be made available for review by the Governor, the interested local governments, and the Supervisor, and shall also make available any studies as may be conducted by the lessee, pursuant to terms of this lease.

After review of information, data and studies submitted by the lessee, the Supervisor, after consultation with the Office of the Governor of California and affected local governments, shall prescribe special drilling techniques and/or safeguards that will be implemented by the lessee in the exploration and development of leases in which geologic and other hazards have been identified. The lessee agrees to operate the lease in a manner best determined to avoid the hazard, or the potential for blowouts or spills caused by geologic or other identified hazards. Special techniques may include, but are not limited to, relocation of platforms, drilling structures, etc. in order to avoid hazards identified during the exploratory program. Proprietary information shall not be provided to the Governor without adequate assurances against its release.

ORDINANCE NO. 2686

(Note: This ordinance applies the U-PM, Planned Manufacturing regulations to the EXXON, U.S.A. property, Capitan area, Case No. 74-RZ-1.)

AN ORDINANCE AMENDING ORDINANCE NO. 661 OF THE COUNTY OF SANTA BARBARA, AS AMENDED, BY ADDING SECTIONS 841 AND 842 TO ARTICLE IV OF SAID ORDINANCE.

The Board of Supervisors of the County of Santa Barbara do ordain as follows:

SECTION I.

Article IV of Ordinance No. 661 of the County of Santa Barbara, as amended, is hereby amended by adding Sections 841 and 842 to read as follows:

Section 841 :

Zoning Map SC-20-1-N, Southcoast, Santa Barbara County, California, dated February 10, 1975, and approved by the Santa Barbara County Planning Commission on December 18, 1974, is hereby adopted and made a part of this Ordinance by reference with the same force and effect as if the boundaries, locations and lines of the District and territory therein delineated, and all notations, references and other information set forth and shown on said map were specifically and fully set out and described herein.

Section 842 :

A Development Plan is hereby approved for property located North of U.S. Highway 101 is Corral Canyon and more specifically designated as Assessor's Parcels Nos. 81-220-02, -06, -12; 81-230-22, -19 and -25; and portions of 81-230-10 and 81-010-03. Said Development Plan consists of Planning Commission Exhibits A, A-1, B, F, G, H, I and J, 74-RZ-1, dated November 20, 1974 which is hereby made a part of this Ordinance by reference with the same force and effect as if the boundaries and location of areas devoted to specific uses in the reference, notations, and other information set forth on said Exhibits, were specifically and full set out and described herein. The following conditions shall apply:

1) The use of property and the size, shape, arrangement and location of buildings, structures, walk-ways, parking areas and landscaped areas shall be in substantial conformance with said Development Plan.

2) Time limits for submitting precise plans and commencing construction shall conform to the provisions of subsection 26.9 of Section 26, Article V, Ordinance No. 661, as amended, and such time shall not exceed five years from the effective date of this Ordinance.

3) Uses within the area shown in the Development Plan shall be limited to those uses designated on the approved Development Plan for this area identified as "Planning Commission Exhibits A, A-1, B, F, G, H, I and J, 74-RZ-1, November 20, 1974." The storage or staging of supplies incidental to the normal conduct of the facilities may be permitted provided there shall be no unapproved, roofed above-ground structures. During the development phase, temporary, movable buildings and structures associated therewith may be permitted by the Planning Director.

4) All buildings shall be subject to review and approval by the County Board of Architectural Review.

5) No unobstructed or unshielded beam of exterior lighting shall be directed toward any area outside the 66 acre facility site as shown on Planning Commission Exhibit A dated November 20, 1974.

6) Except for motor vehicles and motorized construction equipment, all equipment, and all buildings and structures housing such equipment, shall be so designed, constructed, operated and maintained that:

(A) Sound pressure levels inherently and recurrently generated by or resulting from any use operated on the property, when measured at the exterior boundary of the property incorporated in this Development Plan, shall not exceed preproject, ambient conditions as measured on the "A" Weighted Scale at slow response on approved sound level measuring instruments.

(B) The ground vibration inherently and recurrently generated by or resulting from any use operated on the property shall not exceed levels of human perception at any point along the exterior boundary of the property incorporated in this Development Plan as measured on a portable seismograph.

(C) No odor or heat resulting from the facilities approved by this Ordinance shall be detectable at any point along and outside the exterior boundary of the property incorporated in this Development Plan. Noxious gases and fumes shall not exceed applicable air quality standards along and outside said exterior boundary. Nothing contained herein shall be construed to permit violation of any applicable air pollution laws, rules or regulations. No glare or other radiation resulting from said facilites other than lighting fixtures and emergency gas flares shall be detectable at any point along and outside exterior boundaries.

(D) No non-radio communication audible to the public shall occur between the shore and marine terminal unless specifically required by law.

7) Prior to operation of the new marine terminal facilities, the existing marine terminal storage tank located immediately north of the Highway frontage road and east of the boundaries of the property incorporated in this Development Plan, shall be removed and the area from which it is removed restored to surrounding contours and planted to blend with the surrounding area.

8) Prior to operation of the facilities, all tanks, towers and other facilities located on the property incorporated in this Development Plan, which are visible from Highway 101, shall be screened by landscaping pursuant to a landscaping plan which shall be filed for approval by the County Park Department. Where screening is not feasible, such facilities shall be painted with non-reflective paint in a manner approved by the County Board of Architectural Review.

9) Prior to operation of the facilities, developer shall remove or cause to be removed, all above ground, man-made junk and debris located on the property incorporated in this Development Plan which is not being utilized in the oil field operations, including all above ground, oil pipelines and equipment which have been abandoned and are no longer needed.

10) Upon abandonment of the facilities authorized by this Ordinance, the operator shall remove all above ground buildings and structures located in Las Flores Canyon, and shall, at the option of the County, cover the facility site with topsoil and plant it to make it blend with adjacent areas.

11) As above ground, oil production facilities located on the property incorporated in this Development Plan are abandoned or are no longer needed, they shall be removed by developer or caused to be removed and the area in which they were located shall be restored by planting, as determined by the County Park Department.

12) Review by County staff of compliance with conditions shall be made one (1) year after commencement of operations and annually thereafter and reported by staff to the Planning Commission.

13) Adequate access shall be provided past the facility site for fire control, farming and other private access north of the facilities. The existing fire road to Venedito Canyon shall be kept open and maintained within the boundaries of the property incorporated in this Development Plan. All private access roads to Venedito Canyon shall not be less than 12 feet of all-weather construction and shall be maintained by the developer.

14) Developer shall submit a grading plan and complete surface drainage plan acceptable to the Public Works Department of all roads and building areas; said grading plan to show method and degree of compaction and proposed method of stabilization of exposed slopes; developer to plant and maintain all cut and fill slopes, said maintenance to be continued for two (2) years or until the site is occupied.

15) All grading shall comply with provisions of the County Grading Ordinance and Public Works Department standards pertaining thereto or modifications approved by the Public Works Director. All grading plans shall be subject to approval by the County Park Department.

16) The engineer responsible for the design shall exercise supervisory control during the grading operation to insure compliance with approved plans.

17) A preliminary soils report of the area prepared by a civil engineer experienced in soil mechanics and slope stability and registered by the State shall be required prior to the issuance of permits. Said report shall include data regarding the distribution, stability and expansive nature of existing soils and conclusions and recommendations for grading procedures and design criteria for corrective measures.

18) A complete geological report of the area prepared by a qualified engineering geologist shall be required prior to the issuance of grading permits. Said report shall include a complete description of the geology of the site and conclusions and recommendations regarding the effect of the geological conditions on the proposed development.

19) During the actual grading process, an accredited engineering geologist and accredited soils engineer shall provide sufficient inspection to determine that conditions of their pregrading reports are followed, and if unusual conditions are encountered during grading they shall submit grading recommendations for change of plans to the developer's civil engineer and to the Public Works Director.

20) During construction, approved erosion preventative devices shall be installed prior to November 1st and shall be maintained on the site through April 15th of the following year. An erosion control plan will have to be submitted with the grading plan.

21) Cut slopes shall not be steeper than 1-]/2:1 nor fill slopes steeper than 2:1 unless certified to their stability by the project soils engineer and engineering geologist. Whenever possible the top, sides, and toe of slopes shall be rounded to produce a contoured transition with the natural ground and all slopes shall be sprayed with Sta-soil or other hydro mulch to provide fast growth and reduce erosion. Usable topsoil that would be buried beneath the fill areas of the proposed site shall be stripped off, stock piled, and replaced on the surface of all areas to be landscaped, except slopes.

22) The high cut slope in the Vaqueros sandstone shall be constructed with small steps (approximatley 13" high and 36" wide) if found not to adversely affect slope stability when reviewed by the project soils engineer and engineering geologist.

23) The landscape and irrigation plan shall be reviewed by the project soils engineer and engineering geologist to insure that irrigation methods will not increase erosion and slope instability.

24) The grading plan shall be designed in conformance with the recommendations as set forth in the report by Geotechnical Consultants dated November, 1974.

25) Plans for the main access through the development shall be approved by the Pubic Works Director prior to construction.

26) Design of all road improvements to be constructed as part of this development shall be performed by a Civil Engineer registered in the State of California. Specifications and plan and profile drawings shall be submitted to the Public Works Director for approval.

27) The project soils engineer shall certify to the Public Works Department that all underground utility trench backfill has been sufficiently compacted to prevent settlement and erosion.

28) The registered Civil Engineer who performed the road construction staking shall certify in writing that all drainage facilities and other realted road work have been staked in the filed in accordance with the approved plan and profile drawings and that they are built according to the approved plan standards.

29) During the grading of the access road, clearing for the main fill area and pipeline trenching, an archeologist approved by Public Works after consultation with the Office of Environmental Quality, will be present to review all excavated areas and if items of major archeological significance are discovered, appropriate mitigating and preservation actions will be undertaken.

30) Solid waste generated on the site shall be transported to a County approved landfill.

31) Pieplines, tanks and other structures not covered by the Santa Barbara County Building Code shall be designed, inspected, tested and constructed either under the supervision of a State registered engineer or certified by such engineer and a final report stating all work was completed according to plans shall be submitted to the Public Works Department.

32) If excess fluids, e.g. brine, are to be injected into existing oil wells, the pipeline route shall be approved by the Public Works Department and Office of Environmental Quality in addition to any permits or approvals required by the Petroleum Administrator, the State Division of Oil and Gas and the Regional Water Quality Control Board.

33) Automatic shut-off valves shall be installed on the pipelines at locations shown on the precise plan as approved by the Public Works Department.

34) Prior to construction, all building, electrical, plumbing or other permits required by law shall be obtained and all construction accomplished in accordance with applicable standards.

35) Prior to construction of the facilities, detailed plans and process flow diagrams for the facilities shall be filed as required by the Santa Barbara County Air Pollution Control District. Contracts for air pollution control equipment will include a provision that said equipment shall meet said District's rules and regulations pertaining to the hydrogen sulphide content of gaseous fuel. Developer shall furnish such informaiton as may be required by said District relating to air emissions of the facilities, including but not limited to developer's polices and directives. The owner and operator shall comply with all applicable rules and regulations of the Air Pollution Control District as they now exist or may exist in the future.

36) A detailed landscaping and irrigation plan, prepared by a State registered landscape architect, for the oil and gas processing facilities in Las Flores Canyon shall be approved by the County Park Department and the Office of Environmental Quality as part of the precise plan. Prior to issuance of building permits, a bond or cash deposit in an amount to be determined by the County Park Department to insure installation and adequate maintenance for a period of two years shall be filed with the Clerk of the Board of Supervisors. Upon completion of the installation, the County Park Department shall certify that the installation is complete. Bonds or cash deposits will be released at the end of the two (2) years, providing that the landscaping has been adequately maintained. Said landscaping and irrigation system shall be permanentlymaintained in accordance with the approved plan.

37) Prior to operation of the facility, a permit to operate a small water system shall be obtained from the County Health Department pursuant to applicable sections of the Health and Safety Code.

38) Prior to operation of the facility, the sewage disposal system shall be installed to the satisfaction of the County Building Department and in compliance with applicable County watercourse and water well setback requirements as found in the Santa Barbara County Code and the Uniform Plumbing Code.

39) Prior to the operation of the facility, the operator shall have developed and upon operation shall have implemented an Oil Spill Prevention Control and Countermeasure Plan as now required or as may be required in the future by the Environmental Protection Agency. Said plan shall not be less comprehensive than the preliminary plan set forth in 74-EIR-9, Volume III, Appendix 19 and Volume II, Section 6.2.7, pages 46 to 53 as amended in Volume IV, pages 62 to 64.

40) Periodic drills to test the effectiveness of oil spill clean-up and containment equipment and personnel training shall be carried out by the operator at least quarterly and, on an unscheduled basis, by the County Petroleum Administrator, which may be witnessed by representatives of the Office of Environmental Quality upon their request. Periodically, the County Petroleum Administrator and, through the Administrator, the Office of Environmental Quality, will present written descriptions of hypothetical emergency occurrences to operator's operating personnel to determine their ability to respond effectively to emergencies. Such unscheduled emergency drills will not require actual shut-down of the total facility or cessation of production. Modifications of the operator's emergency equipment and the training of personnel, which will reasonably improve safety and reduce pollution potential, shall be required by the Petroleum Administrator and, through the Administrator, by the Office of Environmental Quality based on such drills. Such drills may be called at any time but not with unreasonable frequency or when operators are performing activities such as start-ups, shut-downs, inspections critical maintenance.

41) Regular scheduled inspections of equipment and operating facilities will be made by the operator. The inspection records will be available at the facility office for inspection by the County Petroleum Administrator and representatives of the Office of Environmental Quality. The County Petroleum Administrator and representatives of the Office of Environmental Quality may witness such inspections as they deem necessary.

42) The operator's production and dispostion reports and material balances kept at the facility office will be available for inspection by the County Petroleum Administrator.

43) In addition to monitoring requirements imposed by appropriate federal, state, and local government entities, pursuant to applicable law, the following monitoring program will be implemented at developer's expense. It shall be the function of the overall environmental monitoring program to provide an integrated data base and reporting system for potentially adverse environmental impacts stemming from the facilities permitted under this Ordinance. The role of the Office of Environmental Quality in the monitoring results to those County decision makers charged with responsbility for ensuring compliance with the conditions of this Ordinance.

(A) For a minimum os six months prior to facility operation, at least three months of which shall be prior to grading, developer shall have meteorological conditions and ambient conditions of air quality at the site monitored by competent meteorclogists approved by the Santa Barbara County Air Pollution Control District to establish baseline concentration levels for ozone, sulphur dioxide, sulphur oxides, hydrogen sulphide, nitric oxide, nitrogen dioxide, suspended particulates, and total hydrocarbons, less methane. This shall also include micrometeorology of Las Flores and Corral Canyons' in sufficient detail to provide valid modeling and projected concentrations at specific impact points on or beyond plant boundaries.

(B) Prior to operation, levels of sound at the boundary of the property included in this Development Plan shall be monitored by a qualified acoustical consultant, approved by the County Health Department, to establish baseline conditions. The

scope and timing of said study shall be submitted to the County Health Department prior to implementation.

(C) Prior to opeartion, levels of vibration at the boundary of the property included in this Development Plan, shall be monitored by competent scientists approved by the County Public Works Department to establish baseline conditions.

(D) Prior to operation, all agricultural and native vegetation communities adjacent to the facilities shall be monitored by qualified plant scientists approved by the Office of Environmental Quality to establish baseline conditions.

(E) Prior to operation, the beach area above the mean high tide line adjacent to Corral Creek shall be monitored by competent scientists approved by the Office of Environmental Quality to establish baseline conditions.

(F) After contruction, owner and operator shall continue to monitor air quality and meteorology in a confirmation study, on a periodic basis, as required by the Santa Barbara County Air Pollution Control District. The scope of all quality studies will be submitted to the Air Pollution Control District for approval and shall be approved prior to implementation. During start-up and subsequent operation of the gas treating facilities, observations of near-by agricultural and native vegetation shall be made monthly or seasonably as appropriate, and shall include semi-annual infra-red (or other appropriate film) aerail photography, until such time as it is apparent that no serious, recurring problems relating to pollution of the air, water, or land exist. In the event that recurring evidence of serious pollution damage is observed which is attributable to the operation of the facilities, design modifications and/or other appropriate action will be taken to avoid future impacts and eliminate unacceptable impacts. Such action shall be initiated by owner and operator upon receipt of official notification and a schedule of compliance shall be filed.

(G) The scope of all sound level surveys will be submitted to the County Health Department for approval and shall be approved prior to implementation. Quarterly sound level surveys shall be performed at the boundary of the property included in the Development Plan upon operation of the facility and to the satisfaction of the County Health Department. Additional sound level investigations shall be performed as required by the County Health Department and said agency shall conduct such sound monitoring investigations as it deems appropriate. The quarterly sound level monitoring program may be changed to an annual one with the approval of the County Health Department after said agency has evaluated sufficient information that is representative of the actual project noise conditions.

(H) During construction, including grading operations at the facility site, qualified soil and plant scientists shall monitor for evidence of near-site damage to agricultural and native vegetation communities to determine near-site impacts of heavy construction activities including dust, erosion, siltation, and the effects of mitigating measures and conditions required by this ordinance.

(I) All monitoring activities shall be subject to inspection and all records of monitoring activities shall be available for inspection by the Office of Environmental Quality upon request and developer shall submit the results of such monitoring activities quarterly to the Office of Environmental Quality and the Santa Barbara County Air Pollution Control District.

(J) Developer will integrate the above monitoring activity into any monitoring and reporting arrangement that may be developed cooperatively be appropriate federal, state, and county governmental authorities.

44) Hydrologic studies shall be made of the watershed area contributing drainage to the site. Contributing areas shall be based on natural contours or an accepted master drainage plan. Drainage quantities shall be derived from considerations of expected future development of the watershed, soil types, historical storm data, gradient of terrain, etc.

These considerations must receive approval by the Flood Control Engineer.

45) Hydraulic data shall be included on engineering plans for all such items drainage channel pipes in conformance with standards of the Flood Control Department.

46) Where drainage waters are discharged from the site in a concentrated manner such drainage shall be conveyed to established watercourses.

47) Any new proposed open channels shall be concrete lined except on larger streams having a well established, channel and adequate capacity. This engineering design must be approved by the Flood Control Engineer. Closed drains shall be reinforced concrete pipe or reinforced concrete box.

48) Energy and hydraulic grade lines shall be shown on all plans and profiles for underground storm drains and open channels.

49) All hydraulic calculation sheets shall be signed by the engineer who signs the improvement plans.

50) All drainage improvement design shall comply with standards of the Flood Control Department and shall be approved by the Flood Control Engineer.

51) Cost estimates of planned drainage facilities shall be submitted to the Flood Control Engineer after drainage plans are approved. Bond amounts will be based upon these estimates if satisfactory to the Flood Control Engineer.

52) After drainage plans and specifications have been approved and guaranty bonds have been posted with the County Clerk in amounts as approved by the Flood Control Engineer, the Flood Control Department will send a letter of clearance to the County Public Works Department authorizing the issurance of a grading permit.

53) The Flood Control Department may issue a letter of clearance on the following two separate segments of the project:

(A) The access road from the frontage road to the beginning of the major site fill including all associated items of construction.

(B) The major site area including all associated items of construction.

54) One reproducible and three blue-line copies of approved drainage plans and one set of specifications shall be furnished to the Flood Control Engineer before construction begins.

55) The Flood Control Engineer shall be notified in writing at least 24 hours before start of construction.

56) All drainage facilities shall be inspected during construction by a Civil Engineer licensed in the State of California and certified by him that the facility was constructed in accordance with the plans and specifications. All costs of this requirement will be borne by the developer.

57) After completion, certification, and approval by the County Flood Control Engineer, the Flood Control Department shall issue a letter to the Clerk of the Board recommending the release of the bond and a letter to the Zoning Department stating that construction of drainage facilities have been completed.

58) The large Las Flores Creek culvet under the site shall be designed and constructed to handle the unbulked flow from the 100 year frequency storm.

59) A sturdy debris rack shall be constructed upstream of the Las Flores Creek culvert to trap large logs, etc.

60) An escape path shall be incorporated in the road along the easterly side of the project site so that any surplus water not accommodated by the culvert will have a means of escape without running through the project area. The escape path shall be designed for 50 percent of the 100 year flow.

61) An energy dissipater device shall be constructed at the downstream end of the Las Flores Creek culvert.

62) No major structures, such as buildings or large storage tanks, shall be constructed directly over the Las Flores Creek culvert.

63) A double reinforced concrete box culvert shall be constructed at each crossing of Corral Creek by the access road. These culverts shall be designed to pass a 25 year frequency storm.

64) Plans and specifications for the construction of a flood gate on any culvert shall be approved by the Flood Control Engineer prior to beginning of construction of that culvert.

65) The Flood Control Engineer, or his representative, shall have free access to the site any may make such inspections as he deems necessary.

66) Developer shall engineer and construct a safe intersection or the proposed private road with Calle Real on the north side of Highway 101. Construction to include proper signing.

67) A plan for the installation of pipelines under Calle Real shall be presented to the Department of Transportation for approval. Method of installation shall be determined by said Department.

68) Prior to any earth moving or construction within Calle Real, a County Road, the developer shall obtain a Road Excavation and Encroachment Permit from the County Department of Transportation per County Ordinance No. 1491.

69) Prior to any earth moving or construction within State Highway 101 right-of-way, the developer shall obtain a Road Excavation and Encroachment Permit from the State Division of Highways.

70) Prior to the operation of the facility, the operator shall have developed, and upon operation shall have implemented a Fire Prevention System Plan acceptable to the Santa Barbara County Fire Department.

Said Plan shall not be less comprehensive than the preliminary plan set forth in 74-EIR-9, page 1-32 as amended in Volume II, pages 7 and 8.

71) In addition to the authority to enforce and secure compliance with the provisions of this ordinance under Section 4 of Article XIV LEGAL PROCEDURE AND PENALTIES of Ordinance No. 661 of the County of Santa Barbara, the Planning Director may require temporary, partial or total, facility shutdown pending necessary corrections involving violations of conditions which have resulted in, or threatened to result in, significant damage affecting public health, welfare, or safety regarding odor, oil spill, sound, or fire or oil spill prevention equipment or procedures as required by this Ordinance, provided such violations are expected to continue or recur if operations in whole or in part are not shut down pending said corrections. Such order shall only be made after a report to the Planning Director (which shall be available to the owner and operator) by the Health Department on sound violations, by the Air Pollution Control Director on odor preventation equipment or procedures, and by the County Petroleum Administrator on oil spill or failure to provide required oil spill prevention equipment or procedures. Before issuing any such order the Planning Director shall give personal notice of the violations to the perosn in charge of the operation of the facility (the current name, address, and telephone number of said person shall be supplied to the Planning Director by the owner and operator) at least 24 hours before his order and shall provide opportunity to said person to present evidence to him. The Planning Director's order shall be final upon notice to said person in charge, unless appealed to the Board of Supervisors within 3 worksing days in which case the decision of the Board shall be final. If the order is appealed, the Board of Supervisors shall hear the appeal at its next regular meeting after giving personal notice at least 24 hours before the hearing to the Planning Director and the said person in charge of the facility. The order shall be cancelled by the Director of Board, issuing the order, as soon as the owner and operator have ceased to violate such conditions.

72) The owner and the operator of the facility shall be jointly and severally liable without regard to fault for all legally compensable damages or injuries suffered by any property or person located outside the exterior boundaries of the property zoned by this ordinance that result from or arise out or any oil, brine or water spillage, fire, explosion, odor, or air pollution within the said facility, in any way involving oil or gas or the impurities contained therein or removed therefrom. For the purpose of this condition, the "facility" shall be deemed to include the oil and gas handling facility and all pipeline facilities to and from said facility from the most northerly boundary of the property zoned by this ordinance to the south boundary of the County, three miles seaward from the mean high tide. This condition shall not inure to the benefit of any of the owners of the Santa Ynez Unit, including the United States Government. This condition simply imposes or preserves strict liability for ultrahazardous activities, defines the facility and activities to which it is applicable, and defines the entities that are participants or beneficiaries in the ultrahazardous activity, and otherwise, the extent of this strict liability and the limitations upon it shall be governed by the applicable law of California on strict liability.

73) Owner and operator shall comply with the applicable rules and regulations relating to air emissions established by the Board of Supervisors sitting as the Air Pollution Control Board.

SECTION 2.

This ordinance shall take effect and be enforced at the expiration of thirty (30) days from and after its passage, and before the expiration of fifteen (15) days after its passage, it shall be published once with the names of the members of the Board of Supervisors voting for and against the same in the Goleta Valley Today, a newspaper with general circulation published in the County of Santa Barbara.

PASSED, APPROVED AND ADOPTED this 10th day of February, 1975.

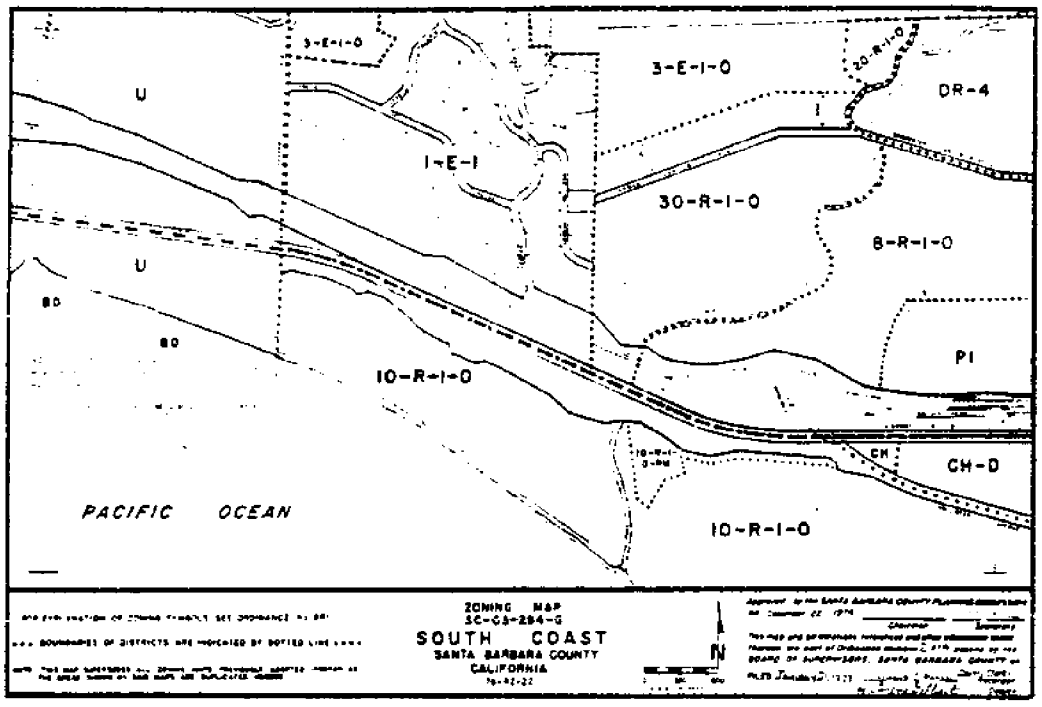
FRANCIS H. BEATTIE

Chairman, Board of Supervisors
of the County of Santa Barbara
State of California

ATTEST:
HOWARD C. MENZEL, COUNTY CLERK- RECORDER

BY IRENE GILBERT (seal)
DEPUTY CLERK

A-22



ORDINANCE 2919

(Note: This Ordinance applies the 10-R-1-0-PM, Planned Manufacturing District, regulations to the Atlantic-Richfield Company property, Ellwood Area, Case No. 76-RZ-22).

AN ORDINANCE AMENDING ORDINANCE NO. 661 OF THE COUNTY OF SANTA BARBARA, AS AMENDED, BY ADDING SECTIONS 897, 898, AND 899 TO ARTICLE IV OF SAID ORDINANCE.

The Board of Supervisors of the County of Santa Barbara do ordain as follows:

SECTION 1.

Article IV of Ordinance No. 661 of the County of Santa Barbara, as amended, is hereby amended by adding Sections 897, 898, and 899 to read as follows:

Section 897:

Zoning Map SC-03-254-G, South Coast, Santa Barbara County, California, approved by the Santa Barbara County Planning Commission on December 22, 1976, is hereby adopted and made a part of this ordinance by reference with the same force and effect as if the boundaries, locations, and lines of the district and territory therein delineated, and all notations, references, and other information set forth and shown on said map were specifically and fully set out and described herein.

Section 898:

The purpose of this ordinance is to temporarily allow expanded production necessary to invest in equipment which will lower emissions from plant storage and tanker loading operations. However, the Planning Commission reaffirms the necessity of a pipeline and has purposely set the conditions of this ordinance to encourage a pipeline solution to the oil transportation problem. Removal of crude oil via tankers with the associated air quality and safety problems must be terminated as soon as possible. If a pipeline is utilized for all production or if emissions of hydrocarbons are held to the equivalent anticipated for a pipeline, expanded production, pursuant to this ordinance, may continue indefinitely.

Section 899:

Two Development Plans are hereby approved for property located easterly of Winchester Creek, southerly of the Southern Pacific Railroad, and approximately 1,600 feet westerly of the intersection of Hollister Avenue and U.S. Highway 101, Ellwood Area, and more specifically designated as Assessor's Parcel Nos. 79-210-42 and 79-210-59 (portion). Said Development Plans consist of Planning Commission Exhibits A, Development Plan for Phase I, and B, Development Plan for Phase II, 76-RZ-22, dated December 22, 1976, which are hereby made a part of this Ordinance by reference with the same force and effect as if the boundaries and location of areas devoted to specific uses in the reference, notations, and other information set forth on said Exhibits, were specifically and fully set out and described herein. In this Ordinance, the words, the property, shall mean the real property delineated on these Development Plans. Phase I of the approved Development Plan (Exhibit A) shall become operative upon the effective date of this Ordinance. Phase I permits continued production at a volume similar to the volume under the existing Conditional Permit (66-CP-82) under improved environmental controls. Accordingly, the following findings are made as to Phase I:

1. The buildings, structures, and uses permitted are those already permitted under 66-CP-82.

2. Such buildings, structures, except for the iron sponge, and uses are not "development" within the meaning of the Pub. Res. C. Section 30106 of the California Coastal Act of 1976, and therefore do not require a permit under said Act.

3. No precise plan is required under Ordinance No. 661 of the County of Santa Barbara for the buildings, structures, and uses depicted on the Development Plan for Phase I, Exhibit A.

Phase II permits expansion of the existing buildings, structures, and uses as depicted on Development Plan for Phase II, Exhibit B. Accordingly, the following findings are made as to Phase II:

1. The buildings, structures, and uses permitted in Phase II are "development" within the meaning of the Pub. Res. C., Section 30106, of the California Coastal Act of 1976.

2. Operation under Phase II is permitted only after completion of Conditions 17 through 26 and establishment of the monitoring system required in Condition No. 27 and 28e.

3. A precise plan is required under Ordinance No. 661 of the County of Santa Barbara for the buildings, structures, and uses depicted on the Development Plan for Phase II, Exhibit B.

The following conditions shall apply:

1. The use of property and the size, shape, arrangement, and location of buildings, structures, walkways, parking areas, and landscaped areas shall be in substantial conformance with said Development Plans during the appropriate Phase. The storage or staging of supplies incidental to the normal conduct of the facilities are permitted, provided there shall be no unapproved, roofed, above-ground structures for such supplies.

2. Upon the effective date of this Ordinance, the existing Conditional Use Permit (66-CP-82) shall be revoked and superseded.

3. Upon the effective date of this Ordinance, Phase I of this Ordinance shall commence, and production at the facility shall be permitted up to 6,500 barrels of petroleum oil per day (BPOD) (figured on a monthly average). A monthly report, stating the BPOD for the previous month, shall be filed with the Planning Department during the succeeding month.

4. No unobstructed or unshielded beam of exterior lighting shall be directed toward any area outside the property.

5. Prior to filing of the precise plan for Phase II, there shall be compliance with the following conditions:

a) Levels of sound measured at locations shown on the map labeled "Planning Commission Exhibit B, dated December 22, 1976," shall be monitored by a qualified acoustical consultant, approved by the County Health Care Services, to establish baseline conditions. The scope and timing of said study shall be submitted to the County Health Care Services prior to implementation.

b) Levels of vibration measured at locations shown on the map labeled "Planning Commission Exhibit B, dated December 22, 1976," shall be monitored by competent scientists approved by the County Public Works Department, to establish baseline conditions.

c) To establish baseline conditions, all agricultural and native vegetation communities within one (1) mile of the property shall be surveyed by qualified plant scientists approved by the Office of Environmental Quality Surveying, monitoring, characterization, and infrared aerial photography of the area described above shall be performed at the same time.

6. Except for motor vehicles and motorized construction equipment, all equipment, and all buildings and structures housing such equipment, shall be so designed, constructed, operated, and maintained that:

a) Sound pressure levels inherently and recurrently generated by or resulting from any use operated on the property, when measured at locations shown on the map labeled "Planning Commission Exhibit B, dated December 22, 1976," shall not exceed baseline ambient conditions as measured on the "A" Weighted Scale at slow response on approved sound level measuring instruments.

b) The ground vibration inherently and recurrently generated by or resulting from any use operated on the property shall not exceed levels of human perception when measured at locations shown on the map labeled "Planning Commission Exhibit B,

Continued on next page

dated December 22, 1976," measured on a portable seismograph.

c) No odor or heat resulting from the facilities approved by this Ordinance shall be detectable at any point along and outside the exterior boundary of the property. Noxious gases and fumes shall not exceed applicable air quality standards along and outside said exterior boundary. Nothing contained herein shall be construed to permit violation of any applicable air pollution laws, rules, or regulations. No glare or other radiation resulting from said facilities other than lighting fixtures and emergency gas flares shall be detectable at any point along the outside said exterior boundaries.

7. Solid waste generated on the property shall be transported to a County-approved landfill.

8. The operator shall comply with all applicable rules and regulations of the Air Pollution Control District as they now exist or may exist in the future.

9. Within 30 days after the effective date of this Ordinance, the operator shall have developed an Oil Spill Prevention Control and Countermeasure Plan as now required or as may be required in the future by the Environmental Protection Agency. Said plan shall be updated as required by changes and/or further development of the facility during Phase I, II, and III.

Periodic drills to test the effectiveness of oil spill cleanup and containment equipment and personnel training shall be carried out by the operator at least quarterly and, on an unscheduled basis, by the County Petroleum Administrator, which may be witnessed by representatives of the Office of Environmental Quality upon their request. Periodically, the County Petroleum Administrator and, through the Administrator, the Office of Environmental Quality, will present written descriptions of hypothetical emergency occurrences to operator's operating personnel to determine their ability to respond effectively to emergencies. Such unscheduled emergency drills will not require actual shutdown of the total facility or cessation of production. Modification of the operator's emergency equipment and the training of personnel, which will reasonably improve safety and reduce pollution potential, shall be required by the Petroleum Administrator and, through the Administrator, by the Office of Environmental Quality, based on such drills. Such drills may be called at any time, but not with unreasonable frequency or when operators are performing activities such as startups, shutdown, inspections, or critical maintenance.

10. Within 180 days after the effective date of this Ordinance, to prevent air pollution, documented preventive maintenance programs, procedures, and training schedules for operators shall be submitted to the Air Pollution Control District. Regular scheduled inspections of equipment and operating facilities shall be made by the operator. The inspection records shall be available at the facility office for inspection by the County Petroleum Administrator, the Air Pollution Control District, and representatives of the Office of Environmental Quality. The designated agencies may witness such inspections as they deem necessary.

11. The operator's production, disposition reports, and surface fluid balance shall be available for inspection by the County Petroleum Administrator.

12. Within 180 days after the effective date of this Ordinance, the operator shall have developed and implemented a Fire Protection System Plan acceptable to the Santa Barbara County Fire Department.

13. In addition to the authority to enforce and secure compliance with the provisions of this Ordinance under Section 4 of Article XIV, Legal Procedures and Penalties, of Ordinance No. 661 of the County of Santa Barbara, the Planning Director may require temporary, partial, or total facility shutdown, pending necessary corrections involving violations of conditions which have resulted in, or threatened to result in, significant damage affecting public health, welfare, or safety regarding odor, oil spill, sound, or fire or oil spill prevention equipment or procedures, as required by this Ordinance, provided such violations are expected to continue or recur if operations in whole or in part are not shut down pending said corrections. Such order shall only be made after a report to the Planning Director (which shall be available to the operator) by the County Health Care Services on sound violations, by the Air Pollution Control Director on odor violations, by the Fire Chief on failing to provide required fire protection equipment or procedures. Before issuing any such order, the Planning Director shall give personal notice of the violations to the person in charge of the operation of the facility (the current name, address, and telephone number of said person shall be supplied to the Planning Director by the operator) at least 24 hours before his order, and shall provide opportunity to said person to present evidence to him. The Planning Director's order shall be final upon notice to said person in charge, unless appealed to the Board of Supervisors within three working days, in which case the decision of the Board shall be final. If the order is appealed, the Board of Supervisors shall hear the appeal at its next regular meeting after giving personal notice at least 24 hours before the hearing to the Planning Director and the said person in charge of the facility. The order shall be cancelled by the Director or Board issuing the order, as soon as the operator has ceased to violate such conditions.

14. The owner and the operator of the facility shall be jointly and severally liable without regard to fault for all legally compensable damages or injuries suffered by any property or person located outside the exterior boundaries of the property zoned by this Ordinance that result from or arise out of any oil, brine, or water spillage, fire, explosion, odor, or air pollution within the said facility, in any way involving oil or gas or the impurities contained therein or removed therefrom. For the purpose of this condition, the "facility" shall be deemed to include the oil and gas handling facility and all pipeline facilities to and from said facility from the most northerly boundary of the property zoned by this Ordinance to the south boundary of the County, three miles seaward from the mean high tide. This condition shall not inure to the benefit of any of the owners including the State of California. This condition simply imposes or preserves strict liability for ultrahazardous activities, defines the entities that are participants or beneficiaries in the ultrahazardous activity, and otherwise the extent of this strict liability and the limitations upon it shall be governed by the applicable law of California on strict liability. This shall include as an area of responsibility the marine vessels receiving the crude products for transportation which are produced by this facility. This condition shall have no application to Aminoil USA which owns and operates the marine terminal and related facilities through which the owner and operator transports its oil to such marine vessels, unless Aminoil USA should become an owner or operator of the owner and operator's facility.

15. Operator shall limit its tanker loadings of crude oil passing through this facility in the following manner, unless alternatives acceptable to the Air Pollution Control District Officer have been agreed upon:

a) There shall be no oil tanker loadings when another tanker is loading at any existing or previously approved mooring facility adjacent to the South Coast of Santa Barbara County.

b) There shall be no tanker loadings begun on any day or consecutive days when the Air Pollution Control Officer projects oxidant levels in excess of 0.15 ppm ozone and operator shall have received at least 12-hour notice from the Air Pollution Control Officer.

c) All tankers moored shall comply with County emission standards. They shall not blow down boilers or discharge visable emissions greater than an opacity equal to or greater than Ringelmann no. 1 for periods aggregating more than three minutes in any one hour.

d) Tankers shall not be loaded to more than seventy-five (75) percent of true capacity. The Planning Commission may, after recommendation from the Santa Barbara County Air Pollution Control Officer, approve a higher loading limit. The true tanker cargo capacity (expressed in barrels), the number of barrels of cargo oil aboard at time of commencement of loading, and shipped volume records of loadings (expressed in barrels) shall be signed and submitted by the accountable management person of the operator for whom the tanker was loaded, and shall be received by the Air Pollution Control District Office during the first seven days of each month for the preceding month.

16. Within 90 days after the effective date of this Ordinance, operator shall establish an ambient air monitoring station in the area of Coal Oil Point in a manner approved by the Air Pollution Control Officer. The station shall continuously monitor total hydrocarbons and shall record wind speed and direction.

The following conditions, 17 through 26 and the monitoring system as required by Condition No. 27, relate to new construction and shall be complied with prior to raising production levels under Phase II.

17. Time limits for submitting precise plans and commencing construction for the development permitted under the Development Plan for Phase II (Exhibit B) shall conform to the provisions of Subsection 26.9 of Section 26, Article V, Ordinance No. 661, as amended, and such time shall not exceed five years from the effective date of this Ordinance.

18. All new buildings shall be subject to review and approval by the County Board of Architectural Review.

19. In addition to any approvals required from the County Petroleum Department, new pipelines, tanks, and other structures not covered by the Santa Barbara County Building Code shall be designed, inspected, tested, and constructed either under the supervision of a State Registered engineer or certified by such engineer, and a final report stating all work was completed according to plans shall be submitted to the Public Works Department.

20. All building, electrical, plumbing, or other permits required by law shall be obtained, and all new construction accomplished in accordance with applicable standards.

21. Prior to filing Precise Plans for construction of the new facilities, detailed plans and process flow diagrams for the facilities shall be filed as required by the Santa Barbara County Air Pollution Control District. The operator shall furnish such information as may be required by said District relating to air emission of the facilities.

22. A landscaping plan and irrigation plan, prepared and signed by an individual qualified to do a landscape design under the law of the State of California must be approved by the County Park Department and the Office of Environmental Quality, shall be filed with the Precise Plans for Phase II. Prior to issuance of building permits, a bond or cash deposit, in an amount to be determined by the County Park Department to assure installation and adequate maintenance for a period of two years, shall be filed with the Clerk of the Board of Supervisors. Upon completion of the installation, an individual qualified to do a landscape design under the law of the State of California shall furnish to the County Park Department a signed statement certifying that the installation is complete and that all grades approved by the Public Works Department have been maintained. Bonds or cash deposits will be released two years after the date the Park Department concurs in the certification of installation, provided the landscaping has been adequately maintained.

23. Any part of the facilities which cannot be feasibly screened by landscaping shall be painted with nonreflective paint in a manner approved by the County Board of Architectural Review.

24. A grading permit shall be required for the development permitted in Phase II.

25. Prior to use of the new facilities permitted in Phase II, there shall be compliance with the following conditions:

a) The operator shall enter into an agreement with the County to engineer and construct the center 24 feet of a standard urban 60-foot road on a 40-foot graded

Continued on next page

road ..ed from Hollister Avenue westerly to the proposed west entrance of the project. Depth of base and paving to be determined by the County.

b) Engineering and construction shall include proper control of drainage waters.

c) Prior to start of any construction within the public rights-of-ways, the operator shall obtain the necessary road encroachment permits from the County of Santa Barbara and the California Department of Transportation.

d) The operator shall provide the County with plan checking and inspection fees in amounts to be determined by the Director of Transportation to insure proper engineering and construction of the proposed road.

26. Operator shall cause the existing Aminoil storage facility to which the crude oil passing through this facility is shipped to reduce emissions from the Aminoil facility by replacing the existing single-pan type floating roofs of the two 80,000 barrel storage tanks, with pontoon double-seal roofs or equivalent controls, and to repaint both tanks with external white paint. Complete vapor recovery with recorded vacuum records is an acceptable alternative to floating roofs, provided that backup compressors are added which start automatically when there is failure of the primary compresser.

27. In addition to monitoring requirements imposed by appropriate Federal, State, and local government entities, pursuant to applicable law, the following monitoring program will be implemented at operator's expense. It shall be the function of the overall environmental monitoring program to provide an integrated data base and reporting system for potentially adverse environmental impacts stemming from the facilities permitted under this Ordinance. The role of the Office of Environmental Quality in the monitoring program shall be one of coordination and reporting monitoring results to those County decision makers charged with responsibility for ensuring compliance with the conditions of this Ordinance.

a) Operator shall continue to monitor air quality and meteorology in a confirmation study on a periodic basis as required by the Santa Barbara County Air Pollution Control District. The scope of all air quality studies will be submitted to the Air Pollution Control District for approval, and shall be approved prior to implementation.

Observations of agricultural and native vegetation communities adjacent and within one (1) mile of the property shall be made monthly or seasonably as appropriate, and shall include semiannual infrared (or other appropriate film) aerial photography, until such time as it is apparent that no serious, recurring problems relating to pollution of the air, water, or land exist. In the event recurring evidence of serious pollution damage is observed which is attributable to the operation of the facilities, design modifications and/or other appropriate action will be taken to avoid future impacts and eliminate unacceptable impacts. Such actions shall be initiated by operator upon receipt of official notification and a schedule of compliance shall be filed.

b) After construction of the new facilities, the scope of all sound level surveys will be submitted to the County Health Care Services for approval, and shall be approved prior to implementation. Quarterly sound level surveys shall be performed to the satisfaction of the County Health Care Services. Additional sound level investigation shall be performed as required by the County Health Care Services, and said agency shall conduct such sound monitoring investigations as it deems appropriate. The quarterly sound level monitoring program may be changed to an annual one with the approval of the County Health Care Services after said agency has evaluated sufficient information that is representative of the actual project noise conditions.

c) All monitoring activities shall be subject to inspection, and all records of monitoring activities shall be available for inspection by the Office of Environmental Quality upon request; and operator shall submit the results of such monitoring activities quarterly to the Office of Environmental Quality and the Santa Barbara County Air Pollution Control District.

d) Operator may integrate the above monitoring activity into any monitoring and reporting arrangement that may be developed cooperatively by appropriate Federal, State, and County governmental authorities.

28. Upon completion of Conditions 17-27, Phase II of this Ordinance shall commence. Production shall not be limited by BPOD but by air quality emission levels which will reduce over a period of time. The Air Pollution Control District has estimated that 140 pounds per day will be emitted when pipeline transportation is available. Accordingly, the tanker emission levels allowed during this phase will be based upon current levels during the first year, declining to 120 pounds per day by the fifth year of Phase II operation. Accordingly, the following conditions apply:

a) Tanker loading emissions shall not exceed an average of 202 pounds per day, averaged monthly during the first year. The tanker emission air quality standard will be

202 lbs/day during the first year,
180 lbs/day during the second year,
160 lbs/day during the third year,
140 lbs/day during the fourth year, and
120 lbs/day during the fifth year.

Additional production can occur provided the operator does not exceed the tanker emission air quality standard with the exception of credits provided in b) below.

b) Air quality improvements at the Aminoil storage facility resulting from Condition 26 (or other means) may be credited against the air quality standards established in a) above. The baseline established by the Air Pollution Control District for these credits is 403 lbs/day derived as follows:

$$\frac{72.6 \text{ tons per year} \times 2{,}000}{12 \times 30} \approx 403 \text{ lbs/day}$$

However, since the nature of these emissions is daily and savings will have little impact on tanker loading days, and since County efforts to improve these facilities have already been initiated, credits will be given on less than a one-for-one basis. Therefore, there will be a one lb/day credit for overage in tanker loading emissions (of a) above) for every 2 lbs/day that the Aminoil emissions are reduced. Emission savings will be estimated by the Air Pollution Control District (APCD). Estimated emissions from the facility with new pontoon double-seal floating roof, or equivalent, and new tank paint—230 lbs per day; and with vapor recovery—40 lbs per day.

c) If emission standards are exceeded in any quarter, production will be reduced to 4,000 BPOD and one tanker loading per month upon notification of the Air Pollution Control Director. Production limit will be removed when mitigating measures are presented which demonstrate that the operator will stay within the limits to the Air Pollution Control Director's satisfaction.

d) Conditions 3 and 18-d of this Ordinance are rescinded.

e) The operator shall be responsible for the cost of monitoring tanker emissions as specified in Attachment No. 3 of the Air Pollution Control (APCD) memorandum dated December 14, 1976. There shall be a fee established by APCD for the monitoring of tanker emissions pursuant to an agreement with the County.

29. Water shall be provided for this facility by the Goleta County Water District or by desalinization as shown on the Development Plan (Exhibit B).

30. The crude oil produced through the Ellwood facility shall be stored at a consolidated storage facility and transported out of the Santa Barbara Channel area by land pipeline at the earliest possible date. When this occurs and Conditions 17-27 have been complied with, Phase III will commence. As long as all oil produced at the facility is transported out of the Channel area by pipeline, production is permitted to 20,000 BPOD. Conditions 3 and 28 will be rescinded.

31. It is the intention of this Ordinance to encourage the use of a pipeline for transporting petroleum products as soon as possible. In the interim, production limits have been allowed to increase in Conditions 3 and 28 above current production levels, i.e., 4,000 BPOD and one tanker loading per month, provided that air quality will not suffer. However, it is assumed that the operator will proceed diligently to carry out the conditions of this Ordinance, and therefore the interim phases (I and II) are not intended to remain in effect forever. Therefore, the following time limits are imposed:

a) If the operator fails to commence operation under Phase II of this Ordinance within two years of the effective date of this Ordinance, production will be limited to 4,000 BPOD and tanker loadings will not exceed one per month. The time limit may be extended by the Planning Commission for good cause shown.

b) If the operator has commenced operation under Phase II, but fails to commence operation under Phase III within seven years from the effective date of this Ordinance, or five years from the start of Phase II, whichever comes first, production shall not require storage tank and tanker loading operations that will emit more than an average of 140 lbs per day averaged quarterly (equivalent to anticipated pipeline emissions if such were constructed and operated). If the operator wishes to increase production, operator may seek new conditions pursuant to a rezoning application.

32. When above-ground, oil production facilities located on the property are abandoned or are no longer needed, they shall be removed by the owner or operator or caused to be removed, and the area in which they were located shall be restored by planting, as approved by the County Park Department.

SECTION 2.

This ordinance shall take effect and be in force at the expiration of thrity days from and after its passage, and before the expiration of fifteen days after its passage, it shall be published once, with the names of the members of the Board of Supervisors voting for and against the same in the Santa Barbara News-Press, a newspaper of general circulation published in the County of Santa Barbara.

Passed, approved, and adopted this 31st day of January, 1977

HARRELL FLETCHER
Chairman, Board of Supervisors
of the County of Santa Barbara
State of California

ATTEST:
HOWARD C. MENZEL,
County Clerk-Recorder
(SEAL) By: IRENE GILBERT
Deputy Clerk

STATE OF CALIFORNIA)
County of Santa Barbara) ss.

I, HOWARD C. MENZEL, County Clerk of the County of Santa Barbara, State of California, and Ex-Officio Clerk of the Board of Supervisors in and for said County, do hereby certify that at a regular meeting of the Board of Supervisors held on the 31st day of January 1977, the foregoing Ordinance No. 2912 consisting of two sections, was adopted by vote of the Board of Supervisors, as follows:

AYES: David M. Yager, Robert E. Kallman, William B. Wallace, Robert L. Hedlund, Harrell Fletcher
NOES: None
ABSENT: None

HOWARD C. MENZEL
County Clerk-Recorder
and Ex-Officio Clerk of
the Board of Supervisors
(SEAL)
By IRENE GILBERT
Deputy Clerk

Feb. 10—6775

UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Rockville, Maryland 20852

March 28, 1978

OFFICE OF OCEAN MANAGEMENT
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

THE MARINE SANCTUARY PROGRAM

Title III of the Marine Protection, Research and Sanctuaries Act of 1972 (Act) authorizes the Secretary of Commerce, with Presidential approval, to designate ocean waters as marine sanctuaries for the purpose of preserving or restoring their conservation, recreational, ecological, or esthetic values. Marine sanctuaries may be designated as far seaward as the outer edge of the Continental Shelf and in coastal waters where the tide ebbs and flows, or in the Great Lakes and their connecting waters.

The responsibility for implementing the marine sanctuaries program has been delegated to the Director of the Office of Ocean Management in the National Oceanic and Atmospheric Administration (NOAA).

Two Marine Sanctuaries have been designated

— The Monitor Marine Sanctuary, which is an area one mile in diameter southeast of Cape Hatteras, North Carolina. This sanctuary is designed to protect the wreck of the Civil War Ironclad, the U.S.S. Monitor. January, 1975.

— The Key Largo Coral Reef Marine Sanctuary, which provides management and enforcement for the protection of a 100 square mile coral reef area south of Miami. December, 1975.

In May 1977, President Carter instructed the Secretary of Commerce to identify possible sanctuaries in areas where development appears imminent, and to begin collecting the data necessary to designate them as such under the law. Acting on the President's instructions NOAA requested Federal, State, and local government agencies, private organizations and individuals to recommend appropriate sites. Recommendation may be followed by a formal nomination either by NOAA or by any other interested party. The nomination procedure and the types of sanctuaries which may be recommended are described in the marine sanctuary regulations. An inventory of more than 170 potential sites has been established by the Office of Ocean Management from the responses to this request. Public interest is widespread, and recommendations are still being received.

Despite its broad language, the Marine Sanctuaries Act was clearly not intended as general ocean management legislation, and it will not be warped to that purpose. Marine sanctuaries are built around the existence of distinctive marine resources whose protection and beneficial use requires comprehensive, geographically-oriented planning and management.

On the other hand, marine sanctuaries are not necessarily pristine areas where human uses are severely restricted or excluded. This inference has often been drawn from the term "sanctuary," although the law itself is not so limited. In fact, marine sanctuaries will inevitably be areas where a variety of activities are allowed under restrictions that assure the preservation of the distinctive characteristics that originally prompted the designation of the sanctuary.

The procedures for considering an area are designed to determine the desirability of and public interest in the designation of a sanctuary, and initiation of the process does not presuppose that a sanctuary will be designated.

After receiving a nomination or recommendation, the Office of Ocean Management makes a preliminary determination of feasibility. A public meeting is held in the area which will be most affected by the designation. In this meeting interested parties can present oral or written statements on the proposal and express their concerns on what should or should not be protected and how their interest will be affected.

Following the public meeting, the Office of Ocean Management prepares a white paper. The white paper presents the Office of Ocean Management's views on the prospective sanctuary, analyzes management and enforcement needs, and sets forth the character of the proposed regulations. This paper will be widely circulated for public comment.

This material forms the basis for preparation of the two basic sanctuary documents---the Designation and the proposed regulations.

-- The Designation document (Designation) serves as a constitution for the marine sanctuary. It identifies the characteristics of the area that justify the creation of the sanctuary, the types of activities that will be subject to regulation under the Act, and the extent to which State and other regulatory programs will remain effective within

the sanctuary boundaries. The Designation requires the approval of the President, and for the portions of the sanctuary within a State's territorial waters, the Governor. Its content can be altered only after approval by each of them of a new or amended Designation.

-- The marine sanctuary regulations adopted by the Office of Ocean Management will implement the terms of the Designation.

The Act requires formal consultation with the Secretaries of of State, Defense, the Interior, and Transportation, the Administrator of the Environmental Protection Agency and other interested Federal agencies prior to designation. The State affected by the designation is encouraged to play an active role in developing the Designation and the regulations that implement it especially since the State may be asked to play a role in resource management. The Act permits the responsibility for sanctuary management to be delegated or shared with non-Federal organizations such as State governments, and the Office of Ocean Management provides funding for management and enforcement cost.

Since the designation of a marine sanctuary is a major Federal action, the Office of Ocean Management also prepares an Environmental Impact Statement (EIS) that assesses the impact of the Designation and the regulations. At least thirty days after notice of the Draft EIS has been published in the Federal Register, a formal public hearing will be held in the affected area. The public hearing provides a forum in which all interested parties can present their views on the adequacy of the Draft EIS and the desirability of creating a sanctuary. A Final EIS is prepared and the public has the opportunity to comment again. If the proposed site is within a State's territorial waters, the Governor's concurrence is required; he can stop the designation by certifying it as unacceptable either in part or in its entirity. Also the President must give his approval before the area can be designated as a marine sanctuary.

The Office of Ocean Management has given special attention to the status of commercial fishing, oil and gas development, and State regulations in marine sanctuaries.

Commercial and Recreational Fishing. The Designation can expressly establish that fisheries management plans established by a Regional Fishery Management Council and the Secretary of Commerce

under the Fisheries Conservation and Management Act are consistent with the sanctuary's purpose and would thus remain fully in effect. When particular circumstances require special regulation, such as a limitation on bottom trawling in areas where fragile bottom life needs special protection, additional restrictions on fishing could be adopted under the Act following consultation with the Council. These additional restrictions must be provided for in the original designation document. The Marine Sanctuaries Act was not designed to be and will not be used as a mechanism to circumvent the Fisheries Conservation and Management Act or its Regional Councils.

Oil and Gas Development. Whether oil or gas development will be permitted in a marine sanctuary will be determined from an evaluation of the impact of such development upon the values identified for protection in the designation. Existing regulations of the Bureau of Land Management and the United States Geological Survey will continue to apply in the sanctuary, but additional requirements will be imposed if necessary to reduce any potential adverse affects to a level that will not jeopardize the identified values. For example, the location of platforms may be restricted or special state-of-the-art protective devices and techniques or undersea completions may be required. No development will be allowed without thorough consultation with Federal agencies, State and local governments, and affected individuals and organizations.

State Regulation. Within territorial waters State statutes and regulations will continue to apply unless the terms of the Designation, which will be subject to the approval of the Governor, provide for regulation by the Secretary of Commerce. Thus, the Governor can assure the appropriate treatment of existing State law in establishing the purposes and character of each proposed sanctuary.

The marine sanctuary program offers a unique, positive, and comprehensive program to protect distinctive marine resources. The strength of the marine sanctuary program rests in its ability to consider the views of all competing users of a distinctive resource on a coherent, comprehensive basis and to assure the uses of the area do not interfere with the preservation and enhancement of these resources.

We welcome your comments and inquiries. Please contact:

Commander Phillip C. Johnson
Associate Director, Project Management
Office of Ocean Management
National Oceanic and Atmospheric Administration
2001 Wisconsin Avenue, N.W.
Washington, D. C. 20235
202/254-7512

Enclosures

- SUMMARY -

SANTA BARBARA CHANNEL

MARINE SANCTUARY NOMINATION

Area Selected:

Approximately 3,000 square miles of the Santa Barbara Channel and zone south around the four Santa Barbara Channel Islands: San Miguel, Santa Rosa, Santa Cruz, and the Anacapas. See accompanying map.

Background:

In his environmental message of May 23, 1977, President Carter directed the Secretary of Commerce to review areas offshore of the United States for possible Marine Sanctuary designation under the Marine Protection, Research, and Sanctuaries Act of 1972. Nominations for Marine Sanctuary designation may be submitted by any interested person or organization. On April 3, 1978, the Board of Supervisors of Santa Barbara County submitted the nomination of the Santa Barbara Channel area for Sanctuary status to the Secretary of Commerce. On June 24, 1978, the County forwarded a more complete Nomination paper and Management Information report to the National Oceanographic and Atmospheric Administration, which prepares the "white paper" on the nomination and an impact statement for the Secretary of Commerce.

Purpose for Nomination:

The Act provides that areas may be nominated for protection of: habitats, species, research sites, recreational aesthetic values, or unique values. The Santa Barbara Channel Marine Sanctuary is nominated for the protection of values in all of the above categories.

Special Values of the Santa Barbara Channel:

The offshore island and basin topography of the California Bight, which extends from Pt. Conception in Santa Barbara County to Pt. Eugenia in Baja California, Mexico, is unique in the North American continental shelf, and has created an uncommon diversity of habitats for support of marine organisms. The nomination area includes the submarine shelf and fan off Pt. Arguello and Pt. Conception, the feeding grounds of the island platform and the Santa Rosa underwater plateau, the benthic communities and fishing grounds over the Oxnard and mainland shelves and the Hueneme and Mugu submarine canyons, the recreation and foraging waters of the Santa Barbara basin, and a section of the continental shelf sloping towards the Patton Escarpment.

The area nominated is the northernmost part of the California Bight. The United States portion is one of the biologically most productive offshore regions of our nation, and its northwestern waters encompassed by the proposed Marine Sanctuary, are the coolest, highest in upwelled nutrients, and support the greatest biomass of forage for marine animals.

In addition to the diversity and richness resulting from its topography and the upwellings, the Santa Barbara Channel is particularly justified for Marine Sanctuary status because of its location as the focus of the California transition zone. There are a handful of places in the world's oceans where two major marine provinces meet and inter-

mingle. In the Santa Barbara Channel and around the islands, the south-flowing cold California Current, diverted by Point Conception, is mixed with the warmer, more saline, southern waters brought north by the geostrophic current. These rivers-in-the sea carry with them the organisms of the northern and southern Pacific provinces, resulting in organisms within the nomination area from Mexico, and from Alaska. The confluence of the two provinces has greatly increased the biological diversity of the nomination area through the survival of relic species and the evolution of new ones. Research on the endemic species of marine invertebrates, mammals, birds, and other organisms found only within the nomination area or on the islands has greatly increased our understanding of genetic evolution, population biology, and the geological and climatological history of the eastern Pacific.

Thousands of different species of birds, seals and sea lions, whales, invertebrates, fish, and marine plants depend on the habitats of the Channel region for support. These include over 30 marine mammals - six kinds of pinnipeds, 14 different whales and ten dolphins. San Miguel Island supports the world's largest and most diverse temperate water community of seals and sea lions. Over 168 species of birds whose habitats are the Channel or the coast have been reported; nine species of marine birds currently breed in colonies on the four islands or offshore rocks. Numerous fish and invertebrate species are of key forage, commercial, sport, and research value. Twenty-five rare or endangered species would be provided with habitat protection by Sanctuary designation. Many of these species such as the Guadalupe fur seal or the California Brown Pelican, endangered by human activities, hold potential for restoration.

The variety of habitats and diversity of species has created dozens of popular recreation sites in the Channel for scuba diving, sport fishing, and shellfishing. The Channel area provides over 850,000 angler-days of sportfishing each year.

Scientists from all over the State conduct research and educational programs on the Channel islands and waters. Research has included geology, physical and chemical oceanography, marine biology and ecology, paleontology, archeology, and the natural history of the Islands. The U.S. Bureau of Land Management is now conducting a major research program for collection of ecological baseline data for responsible management of the continental shelf.

Potential for Damage and Degradation:

The proposed Sanctuary encompases the bulk of existing and projected offshore development on the west coast. Oil and gas drilling, tanker traffic, development of new technologies such as the Space Shuttle and LNG facilities, and military testing all converge in the nomination area. Existing oil and gas development is largely located in the eastern waters of the Channel. Ten major energy and technology projects planned for the Channel will intensify development and spread its impacts throughout the Channel for the first time. Four of the projects will significantly alter the environment and carry the potential for Channel-wide environmental damage. All of the proposed projects can affect the diversity of species in the Sanctuary area. All carry some threat to habitats and the potential of a calamitous accident. The LNG terminal and the SOHIO tankers have a high potential for catastrophe.

The major threat is from oil spills. Most petroleum hydrocarbons are toxic and can kill coastal and marine organisms either chemically through direct contact or ingestion, or physically from smothering or the disruption of body insulation. Weathering, the type of oil, the dosage, the time of year, and other factors influence the extent of damage. The effects of oil spills, chronic air and water pollution, sonic booms, and other potential impacts of the projects will be especially severe in the regions of high productivity, such as the Santa Rosa plateau; in the habitats of organisms with critical ecological value, such as inshore areas during massing of market squid; in reproductive

areas, such as nesting and rookery sites; in feeding grounds and migratory pathways; and in areas that are part of the range of exceptionally vulnerable species. The probability of a catastrophic impact - that measure of impact affecting entire populations and from which recovery is uncertain - is extremely high given the certainty of several large spills over the lifetime of the projects and their locations in the midst of the Channel's biologically sensitive environments.

Benefits of Marine Sanctuary Designation:

The Marine Sanctuary proposal is a complement to Federal, State, and private efforts to preserve the Channel Islands for the nation's benefit. The Anacapas are part of the Channel Islands National Monument, and visitation is allowed on San Miguel Island by permit supervised by the Naitonal Park Service. The Nature Conservancy has acquired an option over the majority of Santa Cruz Island, the largest of the four, for a natural preserve. The California Coastal Commission has proposed Sanctuary status overlapping this proposal and including the waters under their jurisdiction within the three-mile limit.

The significant resources of these areas and the proposed Sanctuary are left unprotected because agencies with management jurisdiction do not have enforcement authority over threatening activities. Establishment of a Marine Sanctuary will locate management responsiblity within NOAA in the Department of Commerce. The Sanctuary also provides the opportunity, not now available, to assess the cumulative effects of all activities in the Channel region.

The opportunity presented by the Channel nomination is one of a laboratory to test and sharpen our nation's skills in managing its resources for maximum benefit in the long term, to see that the exploitation of one type of resource does not prevent the use and enjoyment of others.

Prepared by RESOURCES, Consultants in Natural

Resource Management Policy. July 11, 1978

17 Clubhouse Avenue, Venice, CA 90291

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