

CITY of CARPINTERIA CALIFORNIA



February 16, 2012

Members of the City Council

Cy R. Oggins, Chief
California State Lands Commission
Division of Environmental Planning and Management
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

Al Clark - *Mayor*
J. Bradley Stein - *Vice Mayor*
Joe Armendariz
Gregg Carty
Kathleen Reddington

RE: Carpinteria Offshore Field Redevelopment Project
Carone Petroleum Corporation

Dear Mr. Oggins:

Thank you for the opportunity to comment on the Notice of Preparation/Notice of Intent (NOP/NOI) for the Carpinteria Offshore Field Redevelopment Project. The City of Carpinteria is very interested in the proposed project and intends to remain very active in the review process. However, without a more thorough project description, it is unclear whether the City will be a responsible agency. Therefore, in addition to our comments on the scope of the environmental review, we have several questions that relate directly to the project description. We also reserve the option of asserting responsible agency status later in the process when more information regarding the proposed project is available.

Project Description Questions

- 1. Carpinteria Processing Facility:** Will proposed operations occur in the City of Carpinteria, e.g., employee parking, vehicle traffic, equipment staging, crew boat activity? Is more activity proposed to occur at the Carpinteria Processing Facility? Can these activities be quantified into number of trips, type of vehicles making trips, number of vehicles parking at the facility, number of employees during construction and operations phases? Is there an exhibit showing where employee vehicles or equipment staging would occur?
- 2. Casitas Pier:** Is a lease amendment needed for the proposed project to allow Carone to increase activities at the Casitas Pier currently operated by Venoco? If so, an increase in pier use should be included in the project description and associated impacts must be disclosed in the EIR/EIS.
- 3. Solid Waste:** Where is the solid waste transported to onshore? How is it transported? How frequently? Will this be affected during the construction phase when more employees are working on the platform?

4. **Emulsion:** How is the oil and water emulsion transferred to shore? Where is it treated? How is it transported back to Platform Hogan?
5. **Wastewater:** How is wastewater on the platform to be treated and disposed? Is there adequate capacity in the existing system(s) to accommodate the increase in employees associated with proposed construction and any increase associated with the expansion?
6. **Hydraulic Fracturing:** What specific recovery technique(s) will be used to produce the reserves? Will the process of hydraulic fracturing be used? If so, what chemicals will be used in conjunction with "fracking?"
7. **Abandonment:** Will abandonment be more fully described in the project description before the draft EIR/EIS is prepared? What financial assurances will be required to ensure proper facility abandonment? Given that Platform Hogan would be producing from both federal and state waters, are there different parameters for determining when and how abandonment should occur?
8. **Construction Timing:** What is the anticipated schedule for development of the proposed project? How long would the construction phase be expected to last? What frequency of well work-overs can be expected over the life of the project?
9. **Expected Life of Project:** Has a specific sunset date or a range of time for construction and production relative to the estimated economic life of the project been determined? How is "economic life" determined? Would one lease area be shut-in while the other continued to produce? How is this coordinated between the two regulatory agencies of the SLC and BOEM? Does national policy have the potential to impact the life of the project in terms of mandates on minimum resource recovery? Does State policy have similar potential effects? How are these potentialities factored into the environmental analysis? Are there other reservoirs that could be accessed from Platform Hogan that would also affect the estimated life of the project?

Scoping Comments

1. **Aesthetics/Visual Resources:** The project description and discussion of aesthetics/visual resources does not describe whether any construction equipment storage is proposed to occur at the Carpinteria Processing Facility as part of the project. Any new development or increase in intensity of use within this sensitive view corridor area should be analyzed for aesthetic/visual resources impacts. Also, will the platform be flaring? If so, this should be analyzed as night-time flaring creates a visual impact from all areas of Carpinteria.
2. **Air Quality Resources:** The EIR/EIS should quantify the anticipated number of construction employee traffic trips at Casitas Pier and include those in the overall air quality analysis, including the greenhouse gas analysis. The analysis also should

consider air quality impacts associated with any increased use of diesel trucks and other vehicles and flaring. The source of power used to provide electricity to the drill rig to be converted from diesel will also generate air quality emissions that should be taken into consideration in the EIR/EIS.

- 3. Biological Resources/Ocean and Marine Life:** The Santa Barbara Channel supports many species of marine mammal, most of them protected by federal regulations. The EIR/EIS should analyze potential impacts to the ocean and marine life from proposed construction, operations, abandonment and from any risk of upset conditions that could occur during any of these three phases. Impacts can result from noise and vibration as noted above and is especially important relative to the harbor seal haul-out area adjacent to Casitas Pier.
- 4. Land Use:** The City's land use objectives establish the priority of well planned development that protects coastal resources within Carpinteria and the natural environment surrounding Carpinteria. The City seeks to maintain its small beach town character by supporting compatible development and revitalization. Land Use should be included as an issue area in the EIR/EIS and should consider and evaluate the project's consistency with applicable City of Carpinteria General Plan/Local Coastal Land Use Plan objectives, goals and policies such as those noted in this letter. The City's planning documents such as the General Plan/Coastal Land Use Plan and Zoning Code, which contain these objectives, goals and policies, can be found on the City website at www.carpinteria.ca.us.
- 5. Noise:** The analysis of noise impacts must adequately consider the potential impacts of additional staging and vehicle traffic along Dump Road and at the Casitas Pier parking lot. Noise impacts at the pier and pier parking lot have the potential to impact environmentally sensitive habitat areas such as the adjacent harbor seal haul-out area and they can also create a nuisance for nearby residents and park and beach visitors.
- 6. Traffic/Circulation:** A quantitative analysis in the form of a traffic study should be provided to estimate the number of additional vehicle trips to the parking lot at Casitas Pier that would result from the proposed project and that could impact area streets and intersections. The traffic/circulation impact discussion should quantify the potential parking demand and area required for equipment staging that could reduce the available number of parking spaces.
- 7. Groundwater Resources:** The EIR/EIS should discuss the potential impacts of drilling and reinjection on groundwater resources. This includes a thorough analysis of the risks associated with chemicals that would be used to facilitate hydraulic fracturing if that technique is employed to extract oil and gas resources. Also, please analyze how groundwater resources are impacted over time by additional production from the subject reservoir. Please include information regarding the location of the groundwater basin(s)/aquifer(s) relative to the location of the well termination points.

- 8. Aging Facilities:** Aging facilities are a major concern due to the potential for upset conditions caused by mechanical failures, particularly over the long term. Careful analysis of the integrity of the existing platform, pipelines and the La Conchita Processing Facility is mandatory to any review, especially as this relates directly to the potential for upset conditions. This issue is of utmost importance given that the existing platform is nearly 50 years old and it is unknown how long the proposed project could extend the life of Platform Hogan and its associated pipelines to shore.
- 9. Injection of Produced Water:** The EIR/EIS should disclose which regulations will be followed relative to the disposal of produced water such as will this activity be subject to state or federal standards and why. If the waste is to be disposed of onshore, where would that occur?
- 10. Oil and Gas Seeps:** The EIR/EIS should discuss the potential for oil and gas seeps to result from increasing or decreasing reservoir pressure as the oil and gas resources are developed. What are the impacts associated with increased seeps on the ocean floor or onshore?
- 11. Risk of Upset:** Carpinteria is located upcoast from the proposed drilling and pipeline locations but it is highly likely that impacts from an upset condition would affect the City, especially if an event were to occur during summer months. Given the City's existing sensitive and unique natural resources (e.g., Carpinteria Salt Marsh, Carpinteria Creek Lagoon and Harbor Seal Rookery) and coastal-dependent tourist economy, impacts from an offshore oil spill would be severe if they occurred along the City's beaches. An inventory of the sensitive resources and the potential for impacts from hazardous conditions must be evaluated in the document. Further, City and State coastal beaches and parks that attract visitors and could be impacted by an oil spill should be identified, as well as the potential impacts on visitor-serving uses and functions. Also, what mitigation is available in the event of a spill to return an area to its pre-spill conditions? The risk analysis must take into consideration the aging facilities proposed to be used in this project as well as this particular operator's past performance that may affect "normalized" industry standards for risk analysis. Does the risk analysis also include the potential to develop additional deeper reservoirs that may involve more severe risks?
- 12. Expected Life of Project:** What is the expected life of the project in terms of time? Is this expectation based on current oil and gas prices and current technology or is consideration given to increasing prices and more efficient technology that may develop in the future?
- 13. Utilities/Infrastructure:** The effect of the proposed project on utilities should be included in the EIR/EIS. There will be increased activity at the platform and onshore during the construction and operations phases that affect utilities, including during well work-overs or redrilling, throughout the life of the project. Utilities and service systems should be evaluated to ensure that adequate capacity exists to support the

proposal over time, including in the case of a spill or other upset condition. Are the emergency response capabilities of local resources adequate in such a case (e.g., Carpinteria-Summerland Fire Protection District, emergency personnel, medical professionals)? Also, infrastructure impacts should be evaluated to ensure that impacts to the physical condition of roadways are addressed and mitigated if large trucks transporting heavy equipment will use City streets, particularly through the construction phase.

- 14. Cumulative Impacts:** The Carone Project must be considered relative to the potential for the combined impacts from other existing and proposed oil and gas projects (e.g., Paredon).
- 15. Alternatives:** In addition to the range of alternatives identified in the NOP/NOI, the EIR/EIS should look at the option of developing alternative or renewable energy sources rather than developing the offshore oil and gas resources at this time. Also, is it possible that Rincon Island could be used as a staging and transportation center rather than Casitas Pier? Could the Rincon Island facility be used as an alternative to the La Conchita Processing Facility? What alternatives are selected for evaluation will depend on how the project objective is defined. The document should give careful consideration to crafting an appropriate project objective that takes into account both public and private interests.
- 16. Socio-Economic Impacts:** What are the socio-economic impacts to Carpinteria from increased industrialization related to the proposed project? How might this affect Carpinteria's economy which is largely based on tourism as a "small beach town" community?

We thank you for the opportunity to comment on the Notice of Preparation/Notice of Intent for this important project. Should you have any questions or wish to discuss this letter in more detail, please feel free to contact Community Development Director Jackie Campbell at (805) 684-5405 ext. 451 or via email at jackiec@ci.carpinteria.ca.us.

Sincerely,



Al Clark, Mayor

cc: Susan Zaleski, Bureau of Ocean Energy Management, Pacific OCS Region, Office of Environment, 770 Paseo Camarillo, CA 93010-6064
Jackie Campbell, Community Development Director