Bates onramp. Rincon Island may then be entered by a right turn off of U. 5. 101. The interchanges discussed above are shown on Exhibit H.

ii. Bush Oil Company workers usually carpool. Bush will require continuation of this practice and will shuttle workers from Bush's Rincon Field office to Rincon Island to minimize traffic on the Rincon Island causeway.

M. PUBLIC SERVICE UTILITIES

No mitigation measures are proposed.

N. ENERGY

No mitigation measures are proposed.

0. HUMAN HEALTH

No mitigation measures are proposed.

P. AESTHETICS

No mitigation measures are proposed.

Q. RECREATION

No mitigation measures are proposed.

R. ARCHAEOLOGICAL/HISTORICAL

No mitigation measures are proposed.

8. ORGANIZATIONS CONTACTED

Bush Oil Company, California District
State Lands Commission
Ventura County Air Pollution Control District
State of California, Department of Transportation
Ventura County Planning Department

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REFERENCES

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EXHIBIT "C"

BUSH OIL WORKOVER PROJECT

MITIGATION MONITORING AND REPORTING PLAN
(Section 21081.6, PRC)

Section 1

INTRODUCTION

This plan has been developed in conformance with the requirements of Section 21081.6 of the Public Resources Code and shall be known as the Mitigation Monitoring Plan (Plan) for the Bush Oil Workover Project which entails the workover of 21 existing oil and gas wells on Rincon Island and one at 5750 Pacific Coast Highway.

Section 2 provides a brief summary of the project. Section 3 describes each impact to be mitigated, each mitigation measure, and the monitoring requirements and scheduling of each implementation measure.

IMPLEMENTATION

Responsibilities

Bush Oil Company (the Applicant), its representative(s), or successors-in-interest, remain responsible for full implementation of all mitigation measures adopted within Applicant's project and described in the Negative Declaration.

The California State Lands Commission (SLC), as CEQA Lead Agency, through its Field Inspection units, shall be responsible for the administration of all provisions of this Plan. The Field Inspection units will ensure that complete monitoring reports are generated and that deficiencies or violations are promptly corrected.

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Reporting

Verification of Compliance and Non-Compliance Reports shall be prepared by Field Inspectors using standard SLC reporting procedures. Copies of the reports will be transmitted to Bush Oil. Progress toward completion of the required mitigation program, or deficiencies thereof, shall be reported to Bush at SLC prescribed intervals or upon detection of the lack of compliance.

COMPLIANCE

SLC Field Inspectors, as well as Staff engineers and Supervisors, will make monitoring inspections on a regular basis and at critical operation phases to ensure compliance with the Plan. The SLC will acknowledge the successful completion of a mitigation measure after receipt of the Lessee's report and confirmation by SLC Staff.

VIOLATIONS

If a report identifies a violation of the mitigation program, the SLC, immediately upon receipt of the report, shall:

1. notify Bush Oil or its designated representative by telephone and order immediate compliance;

2. prepare written notification to Bush Oil of the violation ordering compliance, and;

3. identify the need for a follow-up field inspection

If compliance is not achieved, SLC Field Inspectors may order that work be stopped until compliance is achieved and notification is given by the SLC that work may resume. The period of time of the stop-work-order will be that time required to assure compliance has been achieved. Work on the project may not be resumed until compliance is achieved.

Violations of an approved mitigation measure which are not discovered until after Project Completion will result in one or more of the following actions affecting Bush Oil:

1. written notification and demand by the SLC for correction,

2. issuance of an infraction citation;

3. filing for legal action,

4. cancellation of lease and action for indemnification for damages from breach or non-compliance with lease terms

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and provisions.

If a dispute arises concerning the implementation or success of a mitigation, the dispute may be referred to the Executive Officer and, if unresolved, to the Commission for legal action. In such a case, work on the project will be stopped until the dispute is resolved.

Failure to comply with all adopted mitigation measures will constitute a breach of the lease.

FEES

Direct costs for mitigation measure implementation shall be paid by Bush Oil.

Section 2

PROJECT DESCRIPTION

Bush Oil Company, lessee of State Oil and Gas Leases PRC 1466 and PRC 410, is planning a project to enhance production of oil and gas from the "A" sand reservoirs in the offshore Rincon area. The enhancement is planned by sidetracking and deepening 22 existing wells into the AH to AZ sands. The location of the project in the area offshore Punta Gorda in Ventura County is shown in Exhibit A.

The plan provides for sidetracking and deepening twenty-two specific wells. Twenty-one of the specific wells planned for deepening are located in Lease PRC 1466 on Rincon Island, which was constructed in 1958 and is located at the end of a 3000 foot long trestle extending southward from shore at Punta Gorda. Sidetracking and deepening of these wells into the AS sand are planned.

One of the specific wells is planned for sidetracking and deepening into Lease PRC 410 about one mile east of Rincon Island. Access to lease PRC 410 is made through an existing well on the Bush Oil Company property at 5750 West Pacific Coast Highway located north of Highway 101 and South of the old Rincon Highway between the Fire Station at the Seacliff off ramp and the underpass to the Mobil Piers. The well in Lease PRC 410 is planned for deepening into the AZ sands.

The general extent of redrilling will vary from about 1600 feet to 3200 feet reaching a maximum depth of about 4800 feet.

Section 3

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PROJECT IMPACTS AND INCORPORATED MITIGATION

1. Impact: Discharge of muds or cuttings

   Project Modification: No ocean discharge of muds or cuttings will occur.

   Cuttings and mud wastes will be disposed at an approved Class II-I or Class I dumpsite as a non-hazardous waste in accordance with appropriate regulatory requirements.

   Monitoring: All State oil and gas leases contain conditions establishing lease activity control, reporting and inspection mechanisms. The State Lands Commission has field inspection and monitoring staff to monitor and enforce the lease provisions and other SLC rules and regulations. The SLC inspectors will review and verify receipt slips for wastes disposed of at appropriate disposal sites.

2. Impact: During the night operations, lighting will be necessary around the well pads. The nearest light sensitive receptors would be the residences and hotel located at Punta Gorda at least 3,000 feet from the project site.

   Project Modification: The illumination of the workover activities at night will be limited by appropriate shielding and directing techniques to reduce reflection and glare.

   Monitoring: SLC inspectors will verify the placement of appropriate light shielding and placement.

3. Impact: Potential impact to existing transportation system on Highway 101.

   Project Modification: In order to reduce the impact to the existing transportation system, left hand turns across Highway 101 traffic will not occur during the project. Contractor vehicles requiring to go north after exiting Rincon Island will make a right turn onto U. S. Highway 101 and drive south, exiting at the Seacliff Interchange, located about 1-1/2 miles south of Rincon Island. The vehicles will then cross U. S. Highway 101 and enter it via the northbound Seacliff onramp. All vehicles approaching Rincon Island from the south will exit U. S. 101 at the Bates Road interchange, located about 2.5 miles north of Rincon Island. The vehicles will then cross U. S. 101 and enter it via the southbound Bates onramp. Rincon Island may then be entered by a right turn off of U. S. 101.

   As an additional measure to control traffic on Highway 101, Bush Oil Company workers usually carpool, and Bush will require continuation of this practice and will shuttle workers

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from Bush's Rincon Field to Rincon Island to minimize traffic on the Rincon Island causeway.

Monitoring: A SLC inspector will monitor traffic flow and shuttling of workers to the work site.

4. Impact: Upset conditions could result in an accidental release or drilling mud or crude oil.

Project Modification: The following measures have been incorporated into the Bush project to minimize effects of upset conditions.

a. The project operation would employ state-of-the-art blowout prevention technology and mud monitoring equipment.

b. All supervisory personnel will be blowout and well control certified.

c. The well bay on Rincon Island can contain 2400 barrels of fluid, mud, or oil.

d. Design of the Island is such that spilled mud drains into the well bay trough. There are cellars on either end of this trough from which the mud can be pumped to a steel separation tank to separate out any oily wastes. This mud can then be transferred to a vacuum truck for disposal at an approved dumpsite. Berms around the active areas of the Island would help contain any runoff.

e. The well bay can contain 2400 bbl. of fluid. The tank area is surrounded by a 10 foot high wall which can contain 4800 bbl. of liquid, the floor of the island is generally 10 feet or more below the sides of the Island except along the wharf area. The road does slope down from the wharf toward the floor of the island. The island itself can contain at least another 10,000 bbl of oil over and above that of the well bay area.

Because the wells are non-free flowing, spills from blowouts are not expected. A spill from the largest tank within the tank area (1500 bbl) would easily be contained in the surrounding containment area. A spill from the 2000 bbl tank outside the tank containment area would flow to the well bay area.

The only other type of spill possible would be from

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a pipeline leak or rupture. The largest line is a four inch diameter line that collects the oil from the individual lines from the wells. This line is equipped with automatic shutdowns. The entire line all the way to shore only contains less than 50 bbl of oil. The production rate would be less than 2000 bbl/day and hence a spill that would go undetected for an hour would only result in an 83 bbl spill, plus possibly the contents within the pipeline.

Monitoring: Bush Oil has filed with the State Lands Commission, an Oil Spill Contingency Plan which addresses specific spill control measures for Rincon Island. This plan will be implemented in the event of a spill. Bush is also a member of Clean Seas, Inc.

SLC inspectors will ensure that such Plan is implemented as provided in the event of an upset condition at Rincon Island.

5. Impact: The project which is exempt from regulation under Rule 23.D.5 of the Ventura County Air Pollution Control District, will emit 13.6 tons of NO x and 1.1 tons of Reactive Organic Compounds (ROC) during the life of the project.

Voluntary Project Modification: Bush Oil Company Rincon Island leases presently operate under a Permit to Operate (PTO) issued by the Ventura County Air Pollution Control District. The current PTO is valid from January 1, 1991 to December 31, 1991 and is subject to annual renewal. In the PTO, condition number 3 specifies certain emission reductions (i.e., offsets) which have been certified for the facility. Bush has requested, and Ventura County APCD has agreed to amend the Rincon Island PTO so as to make the NO x and ROC offsets unavailable to Bush, i.e., consumed as offsets, for a period of time such that the one-time project emissions are offset at a ratio of 1.2 to 1, as required under Rule 26.1.B.2 and 26.2, Table 1, of the Ventura County APCD Rules and Regulations for non-exempt sources.

Monitoring: Bush proposes that the emission reductions be used for the duration of the project. The Ventura County APCD has agreed to amend the PTO to reflect use of these offsets for this project.

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EXHIBIT "D"

BUSH OIL WORKOVER PROJECT

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ENVIRONMENTAL DEFENSE CENTER

July 10, 1991

State Lands Commission
1807 13 th Street
Sacramento, California 95814

RE: Adequacy of Bush Oil Co. Rework Project environmental review and public participation: Item 28, July 15, 1991 Agenda

Dear Commissioners:

This office represents the Citizens to Preserve the Ojai and the Environmental Coalition of Ventura County in matters affecting air quality in Ventura County.

We are appreciative of the State Lands Commission's sensitivity to environmental issues and its cognizance of the need for environmental protection. I am somewhat surprised by the superficiality of the air quality analysis for this project, particularly in light of the severity of Ventura County's air quality problems. I hope that by bringing this issue to your attention you will require amendment of the negative declaration to reflect the true air quality impacts and will then require adequate mitigation for this project's impacts.

I must preface my comments with the caveat that I have received very little information about this project. There was no public notice or circulation of this negative declaration to the environmental community in our area, and SLC staff has not been able to forward any information about this project other than the draft negative declaration. It is this negative declaration that I base these comments upon.

In my summary review of the proposed negative declaration in this matter, I have concluded that the document fails to identify and mitigate the adverse air quality impacts from this project. As such, approval of the project would constitute a prejudicial abuse of discretion and would be subject to reversal in court.

While SLC staff has been unable to forward the staff report in this matter, it is apparent from the negative declaration that approval would be ill-advised without mitigation of air quality impacts.

Ventura County has a severe air quality problem that will only be resolved by the elimination of every available source of air pollution. CPO recently settled federal court litigation with the United States Environmental Protection Agency. Citizens to Preserve the Ojai v. Environmental Protection Agency, et al., C.D. Cal. No. 88-00982 HLH (Sx). The basis of the complaint was that the Ventura County Air Pollution Control District had failed to promulgate rules and regulations sufficient to adequately protect Ventura County air quality. 42 U.S.C. § 7410 (c). In settling the lawsuit, EPA agreed to prepare a federal implementation

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plan to address deficiencies in Ventura County's plans. Although the parties obligations under the lawsuit have been tolled pending the appeal of similar litigation, the fact remains that Ventura County air quality routinely violates the health based national ambient air quality standards, exposing Ventura County residents to unnecessary threats to human health. The only means for improving Ventura County air quality is to reduce the emissions of ozone precursors, NO_x, ROC and VOC.[1]

Computer modelling performed by EPA discloses the conclusion that at least 40 % of Ventura County's NO_x and VOC inventory must be eliminated to demonstrate attainment of the national ambient air quality standard for ozone. See generally, 56 Federal Register 1754. Additional reductions in these pollutants is necessary to attain the more stringent state ozone standard.

It is very surprising that the negative declaration fails to address the significance of the project's emissions on these legal requirements. It is not surprising that the Ventura County Air Pollution Control District has no rule to regulate the diesel engines that are the source of many of the project's emissions: the Ventura County Air Pollution Control District's lax rules are principally responsible for the fact of Ventura County's nonattainment. The State Lands Commission must not rely on the absence of Ventura County rules for this particular source as authority for concluding that there is no adverse environmental impact nor that there are mitigation measures available to reduce or eliminate the adverse environmental impact.

The project promises to exacerbate Ventura County's air quality problem, and the negative declaration fails to adequately document that impact. The project's emission of over 10 tons of NO_x will contribute significantly to Ventura County ozone national and state ambient air quality standards violations. Congress has classified Ventura County as an "extreme area" with a new source review threshold of 10 tons per year. 42 U.S.C. §§ 7511; 5711a. While this classification is subject to modification and it is quite likely that Ventura County will ultimately be classified as a "Severe area", the Commission must be aware that the NO_x emissions alone from this project are very significant and will, most definitely, contribute to nonattainment in the region. This is a significant impact pursuant to CEQA. See Cal.Admin.Code, tit. 14, Section 15000, et seq.; Appendix G (x).

Further, the negative declaration fails fully to address project VOC or ROC emissions, even though diesel engines are well-documented sources of these pollutants and each contributes to ozone formation and violations.

In addition, the negative declaration fails to consider other project impacts to air quality, including emissions from project vehicle traffic, and increased fugitive emissions.

Lastly, there is no consideration of cumulative air quality impacts from the project. Increased production from these wells will cause increased refinery emissions and increased consumer emissions.

---

1. The formation of ozone in the lower atmosphere is a complex science, but it is well established that reductions in emissions of the principal ozone precursors, NO_x and Volatile and Reactive Organic Compounds (ROC and VOC) is necessary to reduce ambient ozone concentrations. See 56 Federal Register 1754, the Environmental Protection Agency's draft federal implementation plan for Ventura County.

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I have been told by the "negotiator" for this item that air quality issues are not significant since the applicant has air pollution offsets that could be used to mitigate for air quality impacts. While banked offsets could be used to address Ventura County Air Pollution Control District requirements, if there were any, they cannot competently claim that the previous elimination of another source of air pollution will fully mitigate this project's air quality impacts without a careful and complete documentation of the nature of and type of the banked emissions, the source's location, establishment that those emissions reductions would not otherwise be required by a new air pollution rule since banking, etc. The negative declaration is intended to provide the decisionmakers with information to gauge the adverse environmental impact from a project, including the effectiveness of mitigation measures, and the proposed negative declaration does not. See generally Friends of "B" Street v. City of Hayward (1980) 106 Cal.App.3d 988, 165 Cal.Rptr. 514.

Further, the SLC did not confer with the California Air Resources Board, members of the environmental community, or the Santa Barbara Air Pollution Control District, even though state and federal air quality agencies consider Ventura County to transport air pollution to Santa Barbara County.

Consequently, it is hereby requested that the State Lands Commission take the following steps:

1) withhold final action on this item;
2) direct staff to prepare a full EIR for this project addressing air quality issues;
3) undertake full consultation with all affected and interested agencies and the local environmental community.

Please consider this letter also as a request for a continuance on this item. It is impractical to distribute the Commission's agenda one week prior to the hearing and not allow the distribution of staff reports or other substantive project information until immediately before the hearing. Enforcement of environmental laws require extensive public participation, and the process employed in this case inhibit, rather than encourage, public participation. It takes time to research and respond to similar proposals, yet the process prevents it. A longer public review period for consideration of agenda items is necessary, and greater distribution of environmental review documents must be undertaken.

Thank you for your consideration of these comments.

Sincerely,

Marc Chytilo
Chief Counsel
Environmental Defense Center

CC: Ventura County Board of Supervisors
Richard Baldwin, Ventura County Air Pollution Control District

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ENVIRONMENTAL DEFENSE CENTER

July 12, 1991

State Lands Commission
1807 13 th Street
Sacramento, California 95814

RE: Request for continuance of items # 28, 30, 32 and 33 on July 15, 1991 Agenda

Dear Commissioners:

This office represents numerous citizens' and environmental groups in Santa Barbara, Ventura and San Luis Obispo Counties in matters affecting the quality of the environment in this region.

I received a copy of the State Lands Commission agenda for July 15, 1991 on or about July 9, 1991. I reviewed its contents and contacted the appropriate staff persons to gain additional information regarding the above numbered items.

While I was able to speak to several staff people, none were able to send me the staff report or other technical information regarding each of the identified projects. I was able to obtain a copy of the Bush Oil Company negative declaration (item 28), but no additional written information, which I was told was undergoing legal review. No staff reports were delivered on Saturday, July 13, 1991, and thus there is no possible way for me to present meaningful public comment to the items in which I have interest.

While I understand that item 33 will be continued, I hereby request that the remaining items identified above also be continued until the environmental review documents and other technical information underlying these items is permitted full public review. The State Lands Commission's enabling authority mandates full public participation in the decisionmaking process. Public Resources Code § 6110 prohibits the Commission from making any specific project findings "until the commission has considered at a public hearing the written report of the [staff] officer and . . . any statements, arguments, or contentions which may be presented at the public meeting of the commission." I would like to offer argument and contentions based upon what I think may be happening with these particular items, however I cannot formulate such arguments, etc., without having first reviewed the report that I will be commenting upon. There may be no problem, however if Bush Oil is exemplary, the adverse air quality impacts that are so problematic in this region may not have been fully accounted for and mitigated, and thus, CEQA may not have been fully complied with. See my letter to the commission dated July 10, 1991 for additional detail on this item.

I will be available to respond to questions at the phone number listed below, but due to a tight budget and large caseload, I will not be present at your hearing on July 15, 1991. I trust that you will give these comments appropriate consideration.

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Sincerely,

Marc Chytilo
Chief Counsel
Environmental Defense Center

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STATE OF CALIFORNIA

PETE WILSON, Governor

STATE LANDS COMMISSION

LEO T. McCARTHY, Lieutenant Governor
GRAY DAVIS, Controller
THOMAS W. HAYES, Director of Finance

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, CA 95814

CHARLES WARREN
Executive Officer

August 1, 1991

Mr. Marc Chytilo
Chief Counsel
Environmental Defense Center
906 Garden Street, Suite 2
Santa Barbara, CA 93101

Dear Mr. Chytilo:

Staff of the State Lands Commission take this opportunity to respond to your letters of July 10 and 12, 1991 regarding the proposed Bush Oil Workover Project in Ventura County. The project was originally scheduled for the July 15, 1991 State Lands Commission meeting. In light of the complexity of the air quality issues and regulations involved and the timing of your letters, staff requested that the item be deferred.

We provide the following comments as specific responses to the issues raised in your letters:

1. Circulation of the Negative Declaration and opportunities for comment:

The proposed Negative Declaration for the Bush Workover Project was circulated through the State Clearinghouse on March 11, 1991 for a thirty day review, which ended on April 11, 1991. Comments were received from Caltrans, Southern California Association of Governments, Regional Water Quality Control Board and the U. S. Army Corps of Engineers. None of these comments express concern with the project, as proposed.

The following agencies/organizations received copies of the proposed Negative Declaration for the Bush Workover Project:

California Air Resources Board
Santa Barbara County Air Pollution Control District
Ventura County Air Pollution Control District
Ventura County Environmental Resources Department
Ventura County Planning Department
- Citizens to Preserve the Ojai
- Environmental Coalition of Ventura County

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Comments were not received from any of the above organizations noted above (*), represented by the Environmental Defense Center.

In the three months since the close of the comment period, no additional letters of comment or concern have been received, with the exception of the letters from the Environmental Defense Center(EDC).

Public notice of the intent to adopt the document was also provided in the Los Angeles Times and the Ventura County Star-Free Press.

2. Air quality:

The proposed project consists of the rework of 22 existing wells, a process requiring 10 days per well, approximately 220 days altogether. This is a one-time project. There will be no increase in operational emissions after completion of the rework.

The rig used for the workover project is exempt from the permit requirements of the Ventura County Air Pollution Control District under its Rule 23.D.5. Ventura County is likely to be designated as a "severe" non-attainment area for ozone (O_3), in accordance with the Federal Clean Air Act, 42 CFR182(d) and (f). Under these provisions of the law, a project emitting over 25 tons per year of either oxides of nitrogen (NO_x) or reactive hydrocarbons is subject to New Source Review and would probably have to provide offsets for those emissions. Currently, the area is classified as "extreme" non-attainment for ozone, and the corresponding New Source Review thresholds are 10 tons per year.

Precursors to ozone, under both California and federal law, are NO_x and reactive organic compounds (ROC). ROC consists of volatile organic compounds (VOC) less methane (CH_4). Methane is not a reactive hydrocarbon, and is not regulated under either federal or California law. ROC is sometimes denoted "non-methane hydrocarbons" or "NMHC" in air regulations. In the EPA Compilation of Air Pollutant Emission Factors (AP-42), aldehydes, a ROC, is listed separately for diesel engines. AP-42 provides a factor for total exhaust hydrocarbons (less aldehydes). Speciation information, available from the California Air Resources Board, is then used to separate methane from the VOC to derive ROC. Project emission factors derived from EPA's AP-42, then, are "exhaust hydrocarbons" less methane, plus "aldehydes." These considerations are included in the attached Tables 3 and 3a.

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As may be seen from these tables, the proposed project will emit a total of 13.6 tons of NO_x and 1.1 ton of ROC over the project life. We have discussed these circumstances with both Santa Barbara and Ventura County Air Pollution Control Districts and Bush Oil. As a result of these discussions, Bush Oil proposes to offset the emissions of precursors of ozone, NO_x and ROC for the proposed project.

The Bush Oil Company Rincon Island leases presently operate under a Permit to Operate (PTO) issued by the Ventura County Air Pollution Control District. The current PTO is valid from January 1, 1991 to December 31, 1991, and is subject to annual renewal. A copy of the current PTO is attached hereto. In the PTO, condition number 3 specifies certain emission reductions (i.e., offsets) which have been certified for the facility. There are 7.94 tons per year of NO_x, and 46.13 tons per year of ROC offsets at the facility available for use by Bush Oil. As previously stated, the project emissions are 13.6 tons of NO_x and 1.1 tons of ROC. Bush proposes that the Ventura County APCD amend the Rincon Island PTO so as to make the NO_x and ROC offsets unavailable to Bush, i.e., consumed as offsets, for a period of time such that the one-time project emissions are offset at a ratio of 1.2 to 1, as required under Rule 26.1.B.2 and 26.2, Table 1, of the Ventura County APCD Rules and Regulations. To effect this offset, the emissions reductions certified for the facility in the PTO would be used for:

$$\text{NOx: } \frac{\text{13.6 tons emitted x 1.2 (offset ratio)}}{\text{7.94 tons/year available}} = \text{2.06 years}$$

$$\text{ROC: } \frac{\text{1.1 tons emitted x 1.2 (offset ratio)}}{\text{46/13 tons/year available}} = \text{0.036 years}$$

Bush proposes that the emission reductions be used for the length of time calculated above, or the duration of the proposed project, whichever is longer. The Ventura County APCD has agreed to amend the PTO in accordance with the above proposal.

3. Project Vehicle Traffic:

The project would require two truck trips per week and five commuter vehicle (automobile) trips per day. This project traffic represents about 0.0002 of the average daily traffic in the project vicinity on Route 101, and about 0.00015 of the average daily traffic in the peak month at the El Rincon Interchange near the project site. Emissions from mobile sources, i.e., autos, trucks, are regulated at the state level. As a result of the existing

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Vehicle Inspection and Maintenance program in California, virtually all vehicles may be presumed to be in compliance with applicable vehicle emission regulations. Emissions from this small number of project-related vehicles are, therefore, considered insignificant.

Lastly, None of the oil produced by Bush at Rincon Island is processed by any refinery in Ventura County, but is refined in the Los Angeles area. Operation of the refineries in the Los Angeles area is regulated by the South Coast Air Quality Management District. Each refinery in the Los Angeles refinery system must remain in compliance with its existing permits.

In consideration of the above, staff of the Commission is rescheduling the Bush Oil Workover Project for the next State Lands Commission meeting which is scheduled for August 12, 1991 in Sacramento. The item which will go before the Commission will also include a Mitigation Monitoring Plan which will ensure that the proposed offsets will mitigate air quality impacts in Ventura County.

We appreciate the comments from Environmental Defense Center regarding air quality, and believe that you will find this to be an innovative approach to the issue of air quality in Ventura County. If you have any additional comments or questions on this agenda item, please contact Mary Griggs at (916) 322-0354 by August 7, 1991.

Sincerely,

Dwight E. Sanders

DWIGHT E. SANDERS, Chief
Department of Environment
and Planning Management

cc: Charles Warren, Executive Officer
James F. Trout, Assistant Executive Officer
Robert C. Hight, Chief Counsel
Jan Stevens, Office of the Attorney General
Ray Hatch, Bush Oil Company

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Ventura County Air Pollution Control District
800 South Victoria Ave Ventura, CA 93009
(805)654-2801

DRAFT PERMIT TO OPERATE
Number 0003

DRAFT

Valid January 1, 1991 to December 31, 1991

This Permit Has Been Issued To The Following:

apany Name / Address:	Facility Name / Address:
Bush Oil Company 5750 W. Pacific Coast Highway Ventura, CA 93001	Bush Oil Company Rincon Island Leases Ventura, CA 93002

Permission Is Hereby Granted To Operate The Following:

Rincon Island State Lease 1466:

1 - 300 bbl. 3-ring Storage Tank with Vapor Recovery.
2 - 1,000 bbl Storage Tanks (No. 1038 and 1039) with Vapor Recovery.
1 - 1,500 bbl Wash Tank with Vapor Recovery.
1 - 2,000 bbl Produced Water Tank with Vapor Recovery.
34 - Producing Oil Wells (Nos. 6, 8, 10, 17, 19, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 34, 40, 42, 45, 46, 47, 49, 50, 51, 53, 54, 57, 59, 61, 63, 64, 67 and 8-11); all are contained in a 15 ft. x 200 ft. open drilling collar
2 - 8 ft. x 8 ft. Sump Pits with Metal Grates

Hobson State, Whitten State and Hobson Lease:

6 - 500 bbl Crude Oil Storage Tanks (Nos. 1679,1680,1223,1224,1225 and 2045) with Vapor Recovery
2 - 750 bbl Wash Tanks with Vapor Recovery
1 - 500 bbl Wash Tank with Vapor Recovery
1 - 1000 bbl Produced Water Tank (No. 1678) without Vapor Recovery
1 - MATCO Heater Treater 1 MM BTU/Hr
22 - Oil Wells (Hobson State Lease Nos. 4,5,6,7,8,9,10,11,13,15; Whitten State Lease Nos. 7,8,9,11,12,13,14,15,16,20; Hobson Lease Nos. 5 and 6)
1 - Sump Area consisting of:
1 - Pickup Pit, 8 ft. x 10 ft.

State PRC145 Lease:

1 - 1,500 bbl Wash Tank (No. 765) with Vapor Recovery
1 - 1,500 bbl Power Oil Tank (No. 764) with Vapor Recovery
3 - 1,000 bbl Storage Tanks (No. 1483, 1484, 1917) with Vapor Recovery
1 - 250 bbl Test Tank with Vapor Recovery
1 - Sump, 144 square feet surface area
1 - Water Heater, Parker, Model T-1460, 1.46 MMBtuH
13 - Kobe Wells (Nos. 1, 2, 3A, 4, 5, 6A, 7, 8, 9, 10, 11 ,12, 16)

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For use throughout all the leases:

3 - 500 bbl closed top portable tanks, equipped with sealed hatches and pressure-vacuum relief valves

This Permit Has Been Issued Subject To The Following Conditions:

1. Permitted Emissions:

	Tons/Year	Pounds/Hour
Reactive Organic Compounds	31.24	7.13
Nitrogen Oxides	0.39	0.15
Particulate Matter	0.02	<0.01
Sulfur Oxides	<0.01	<0.01
Carbon Monoxide	0.08	0.05

2. Permitted Emissions are based on the following limits. Prior to exceeding these limits, permittee shall apply for a change in permitted emissions.

Throughput limits:

Rincon Island State Lease 1466
Tank #1038 (1,000 bbl) . . . . . 191.6 MBOPY
Tank #1039 (1,000 bbl) . . . . . 21.9 MBOPY
Tank (300 bbl) . . . . . 3.6 MBOPY

Hobson State, Whitten State and Hobson Lease
Tank 2 at 500 bbl . . . . . 37.6 MBOPY each
Tank 2 at 500 bbl . . . . . 10.5 MBOPY each
Tank 2 at 500 bbl . . . . . 2.0 MBOPY each
Tank 1 at 500 bbl . . . . . 146.0 MBOPY

State PRC 145 Lease
Tank #764 (1500 bbl) . . . . . 595.0 MBOPY
Tank #1483, 1484, and 1917 (1,000 bbl) . . . 81.0 MBOPY each
Tank (250 bbl) . . . . . 8.0 MBOPY

Fuel Consumption Limits:

NATCO Heater Treater (1 MMBtuH). . . . . 3.7 MMCFY
Parker Water Heater (1.46 MMBtuH). . . . . 4.0 MMCFY

3. The following emission reductions have been certified for this facility:

Pollutant (Tons Per Year)

ROC	NOx	PM	SOx	CO
46.13	7.94	0.18	0.01	33.26

Future modifications, changes, or permitted emissions increases at this facility may be offset using these Certified Emission Reductions (see District Rule 26 for details). These reductions may only be used to

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offset emission increases at this facility and may not be sold, granted, or leased for use as offsets at or for any other stationary source.

4. The three portable tanks are to be used only during facilities maintenance for temporary storage of petroleum and reactive organic compound fluids. The portable tanks shall not be used to increase the storage capacity of any tank battery.

5. When in use, the portable tanks shall be connected to the vapor recovery system if they are at a tank battery equipped with vapor recovery. Notwithstading the proximity to a tank battery, the tanks shall be connected to a vapor recovery system if they are at a site for more than sixty days.

6. All storage tanks, except those noted to be specifically exempt from vapor recovery, are to be controlled by a vapor recovery system which is to be maintained and operated properly at all times.

7. All storage tanks noted to be without vapor recovery shall not store or hold any crude oil or other organic liquid with a true vapor pressure of 0.5 psia, or greater.

8. All recovered gas shall be routed to a gas pipeline.

9. Permittee shall maintain records of monthly tank throughputs, and monthly natural gas consumption for the equipment listed in condition number two. These records shall be maintained for at least two years and shall be made available to APCD personnel upon request.

Within ten days after receipt of this permit, the applicant may petition the Hearing Board to review any condition that has been modified or added to the permit (Rule 22).

This permit, or a copy, shall be posted reasonably close to subject equipment and shall be readily accessible to inspection personnel from the Air Pollution Control District (Rule 19).

This permit is not transferable from one location to another unless the equipment is specifically listed as being portable (Rule 20).

In reliance upon the statement of the applicant that the operation of the equipment described herein shall meet the requirements as specified in the Rules and Regulations of the Air Pollution Control District, permission is hereby granted to operate; provided, however, the permission granted hereby shall not be construed to permit said equipment to operate in violation of any applicable State or Federal emission standard or Rules and Regulations of the District.

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DRAFT

Richard H. Baldwin
Air Pollution Control Officer

by:

Karl E. Krause, Manager
Engineering Section

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TABLE 3

DRILL RIG ENGINE EMISSIONS[a]

POLLUTANT	EMISSION FACTOR[b] (g/hp-hr)	lb/hr	tons/well	TOTAL TONS (22 wells)
Nitrogen Oxides	14	7.6	0.48	10.6
Sulfur Dioxide	0.93	0.5	0.03	0.7
Carbon Monoxide	3.03	1.6	0.10	2.2
Particulate Matter	1.0	0.5	0.03	0.7
Reactive Hydrocarbons[c]	1.2	0.6	0.03	0.8

a. Emissions based on a 350 hp engine operating at an average load of 70 percent for 128 hours per well.

b. Emission factors are from the EPA publication - Compilation of Air Pollutant Emission Factors (AP-42, Table 3.3-1).

c. Includes exhaust hydrocarbons and aldehydes, less methane in accordance with ARB (1989a).

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TABLE 3a

MUD PUMP ENGINE EMISSIONS[a]

POLLUTANT	EMISSION FACTOR[b] (g/hp-hr)	lb/hr	tons/well	TOTAL TONS (22 wells)
Nitrogen Oxides	14	8.6	0.14	3.0
Sulfur Dioxide	0.93	0.6	0.01	0.2
Carbon Monoxide	3.03	1.9	0.03	0.7
Particulate Matter	1.0	0.6	0.01	0.2
Reactive Hydrocarbons[c]	1.2	0.7	0.01	0.3

a. Emissions based on a 400 hp engine operating at an average load of 70 percent for 32 hours per well (25% of workover rig operating time).

b. Emission factors are from the EPA publication - Compilation of Air Pollutant Emission Factors (AP-42, Table 3.3-1).

c. Includes exhaust hydrocarbons and aldehydes, less methane in accordance with ARB (1989a).

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