

MINUTE ITEM

This Calendar Item No. 33
was approved as Minute Item
No. 33 by the State Lands
Commission by a vote of 3
to 0 at its 11-5-91
meeting.

A 35

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CALENDAR ITEM

3 3

11/05/91
W 40550
PRC 2199
PRC 2894
Gonzalez
Walker

**APPROVE WELL ABANDONMENTS
STATE OIL AND GAS LEASES PRC 2199, 2894
GAVIOTA AREA, SANTA BARBARA COUNTY**

LESSEE:

Chevron U.S.A., INC.
Attn: Keith D. Howell
646 County Square Drive
Ventura, California 93003

AREA, TYPE LAND AND LOCATION:

State oil and gas leases PRC 2199 and PRC 2984 contain 3,840 and 4,250 acres, respectively, of tide and submerged lands offshore of Gaviota in Santa Barbara County.

LAND USE:

State oil and gas lease PRC 2199 was awarded by competitive bid to Chevron, et al., on July 25, 1958, for a cash bonus of \$12,423,593. This lease has produced over 85 bcf of gas during its productive life.

State oil and gas lease PRC 2894 was awarded to Chevron and Shell jointly by competitive bid on June 28, 1962 for a cash bonus of \$1,502,020. This lease has produced over 33 bcf of gas.

PROPOSED ACTIVITY:

Chevron proposes to remove and permanently abandon five depleted gas wells on State leases PRC 2199 and PRC 2894 using a mobile drilling rig. The gas wells are ocean floor completions located approximately 2 to 2.5 miles offshore in 260 feet of water. The wells were drilled during the period 1961 through 1967. Of the five wells to be abandoned, four are on lease PRC 2199 and one is on lease PRC 2894. Two of the wells on PRC 2199 were suspended after being drilled and were never produced. The remaining three wells were produced to depletion and shut-in. One mobile drilling rig will be used to perform all the well abandonments. Approximately 10 days rig time will be required to abandon each well which will result in the rig remaining onsite for approximately 50 days.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

04/30/92

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15025), the staff has prepared a Proposed Negative Declaration identified as EIR ND 563, State Clearinghouse No. 91101001. Such Proposed Negative Declaration was prepared and circulated for public review pursuant to the provisions of CEQA.
2. Based upon the Initial Study, the Proposed Negative Declaration, and the comments received in response thereto, there is no substantial evidence that the project will have a significant effect on the environment. (14 Cal. Code Regs. 15074(b))

EXHIBITS:

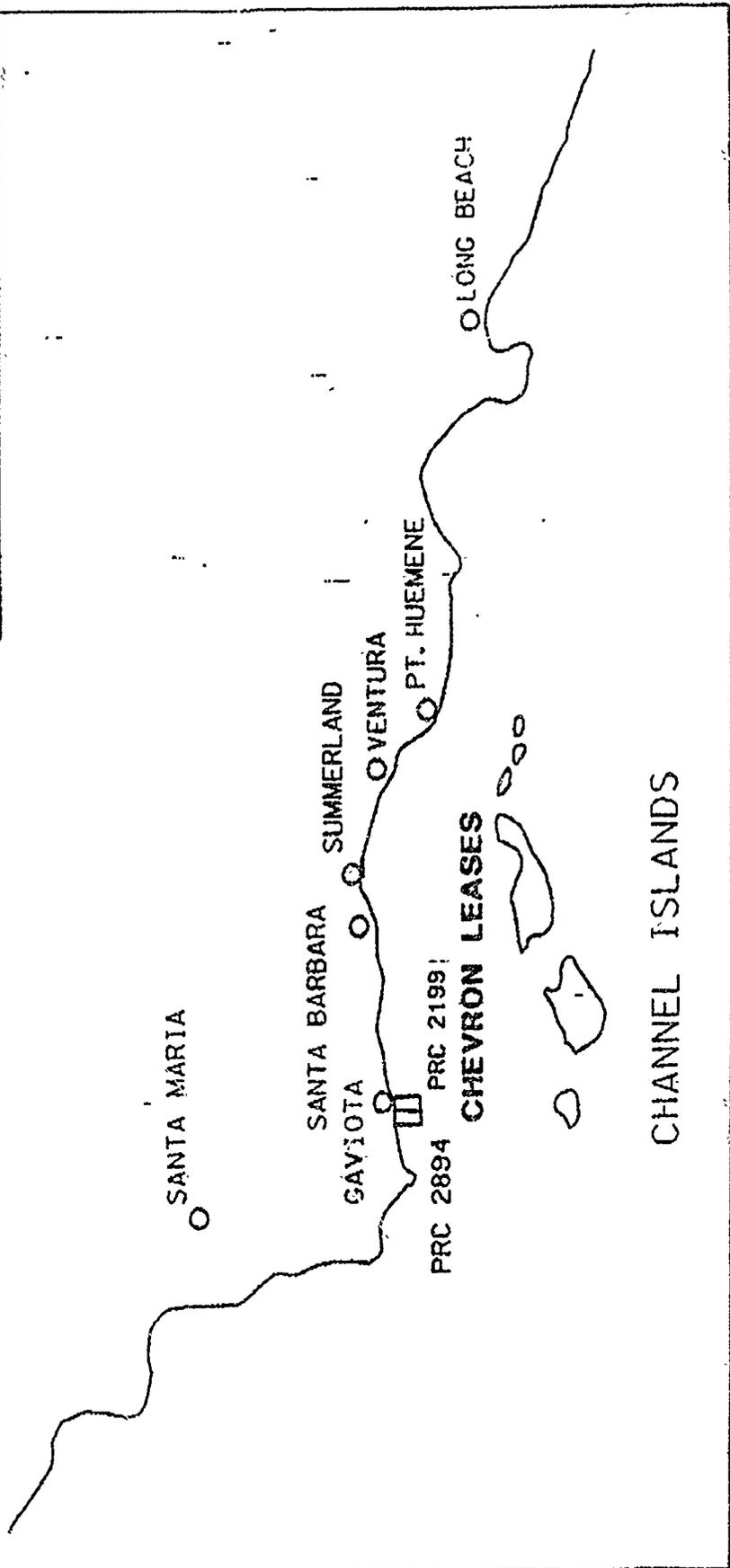
- A. Location Map.
- B. Negative Declaration EIR ND 563.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A NEGATIVE DECLARATION, EIR ND 563, STATE CLEARINGHOUSE NO. 91101001, WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
3. AUTHORIZE APPROVAL OF THE ABANDONMENT OF FOUR GAS WELLS ON STATE OIL AND GAS LEASE PRC 2199 AND ONE WELL ON STATE OIL AND GAS LEASE PRC 2894 IN THE AREA OFFSHORE GAVIOTA, SANTA BARBARA.

EXHIBIT "A"
STATE LANDS COMMISSION

APPROVAL OF WELL ABANDONMENTS
CHEVRON U.S.A. INC.
SANTA BARBARA COUNTY



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EXHIBIT "B"

Date: September 30, 1991
File: W 40550

ABANDONMENT OF GAS WELLS OFF GAVIOTA

Initial Study - Introduction

Chevron USA, Inc., has applied to the State Lands Commission (SLC) for a permit to abandon five (5) gas wells on State Oil and Gas leases PRC 2199 and PRC 2894 located on State Tidelands and submerged lands offshore of Santa Barbara County near Gaviota. Such lands are under the jurisdiction of the State Lands Commission (SLC) and the SLC is the Lead Agency under the provisions of the California Environmental Quality Act (CEQA). This document is prepared pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq., Public Resources Code), the State CEQA Guidelines (Section 15000 et seq., Title 14, California Code Regulations) and the State Lands Commission regulations (Section 2901 et seq., Title 2, California Code regulations).

In May, 1990, the SLC circulated an Initial Study and proposed Negative Declaration (ND 513, SCH #90010467) which discussed the proposed abandonment of eight gas wells, including those described above. The staff of the SLC has determined, based on comments received during the review of the prior document, that an EIR will be prepared for the proposed abandonment of the three wells on the parcel, PRC 1894, near Summerland. This document, which addresses the project as described above, constitutes a "Mitigated Negative Declaration" under the provisions of Section 15070(b) of the State EIR Guidelines.

Detailed Project Description

Chevron USA plans to remove and permanently abandon five depleted subsea gas wells that were drilled in the 1960's on State Oil and Gas Leases PRC 2199 and PRC 2894. These adjacent leases are located offshore of Santa Barbara County near Gaviota, and their locations are shown on Figure 2A.

The wells are approximately 2.0 to 2.5 miles offshore in water depths up to 260 feet. Wells 101 and 301 were never produced, and do not have any associated gas pipelines (called flowlines). Wells 201, 401A and 1 do have associated flowlines and other well head equipment attached. The latter three wells, however, were shut-in several years ago.

The State Lands Commission engineering and inspection staff will approve a well abandonment program for each well prior to any actual operations.

All equipment, except for a portion of the well flowlines to

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shore, will be removed from the seafloor and disposed of onshore. The wellhead equipment, guideplate, and casing down to 5 feet below the mudline will be removed during the abandonment. One mobile drilling rig will be used to perform all of these well abandonments; it would be in place for approximately 10 days for each well. The rig would be supported by crew and supply boats and helicopters as needed. The helicopters will fly from the Santa Barbara airport; Bell 206's (or equivalent) would be used on an as-needed basis for service personnel and Bell 212's (or equivalent) on a weekly basis for crew changes or supplies. Total helicopter flights would average two or three per week. Crew boats would come from Carpenteria (2 hours, one way) on an as-needed basis, approximately once per day. Supply boats would come out from Port Hueneme (4 hours, one way), two or three times per week. All drilling muds and fluids will be barged to shore, and transported by trucks to an appropriately permitted Class II-I or Class I handling facility. Divers or an ROV will be used to make a sweep of the well site to confirm that the area is free of obstructions when the abandonments are complete.

The onshore portions of the flowlines will be removed from their tie-in points at the manifolds at the Gaviota Marine Terminal to the water. This will involve the disturbance of a section of land approximately 15 feet wide, extending from the manifolds, through the bluff, and the beach area. This work will take about two weeks, and all disturbed soil will be replaced. The near shore portion of the flowlines will also be removed, out to 10-15 feet of water depth. Divers using hydro jets will remove the sand cover which will be replaced at the end of the project. The divers will be supported by a small diver support vessel and a materials barge. The remaining section of flowline will be filled with grout and left in place. This portion of the project will take about two to four weeks.

Equipment

Mobile drilling rig with drilling equipment, living quarters, HeO₂ diving system and video recording gear.

Stand-by boat, approximately 100 feet long, 1400 hp, with all equipment specified in Oil Spill Contingency Plan.

Work boat, approximately 190 feet long, 5000 hp, traveling from Port Hueneme approximately once every three days.

Crew boat, approximately 100 feet long, 1500 hp, traveling from Carpenteria pier once per day.

Tug/Anchor handling boat, spot charter used each time rig is moved.

Helicopters, Bell 206 or 212, flying from Santa Barbara Airport approximately twice per week.

Diver support boat, with hydro jet gear.

Backhoe with grader blade.

Mitigation Measures Incorporated in Project

With the incorporation of the following measures into the project description there is no substantial evidence that Chevron's proposed well abandonment project will have a significant adverse impact on the environment. The removal of sea floor well equipment, the sealing of the abandoned wells and removal of the associated flowlines through the beach area will benefit the environment of the area.

Onshore/nearshore disturbances shall be limited to a 15 foot corridor from the Gaviota manifolds to a water depth not to exceed 20 feet.

All soil removed during flowline removal shall be returned to its original position and contours.

Any sand area disturbed during flowline removal shall be returned to its original contours.

Oil spill prevention equipment specified in Chevron's State Lease Oil Spill and Emergency Contingency Plan, 1991, will be maintained in full working order throughout the course of the abandonment operations.

All oil spill containment equipment listed in Chevron's State Lease Oil Spill and Emergency Contingency Plan, 1991 will be available at all times and will be maintained in full working order.

Chevron will ensure that drilling rig is placed such that its legs and/or anchors will avoid identified seafloor rock outcrops.

All lighting on the jackup rigs, except for navigation lights, will be directed toward the working surfaces only, and will be shielded so as to prevent direct glare towards the shore.

All internal combustion engines used during the project will conform to the Santa Barbara County APCD "Clean Boat/Rig" program.

All vessels supporting the proposed project will use established vessel traffic routes.

Chevron will publish its operating schedule in advance

through: 1) the Santa Barbara Marine Advisory Program Newsletter, 2) the US Coast Guard Notices to Mariners and 3) the Fisheries Liaison Office.

An exhibit explaining well abandonment procedures will be prepared for Gaviota Beach State Park to be used while the project is underway.

Environmental Setting

The proposed project area is the offshore area of Southern California in the Santa Barbara Channel. The well abandonments will take place on State Oil and Gas Leases PRC 2199 and 2894, located near the western end of the Santa Barbara Channel, near Gaviota. This area has been well studied and documented over the last 10 years, and many documents have been reviewed for the following sections; primary sources include:

1. State Lands Commission. 1985. Environmental Impact Report, Proposed Exploratory Drilling Operations by Chevron, Inc.
2. Chevron, USA. 1988. Pre- and Post-Construction Surveys of the Kelp Beds Associated with Point Arguello Project Offshore Pipeline, Gaviota, California.
3. Nekton, Inc. 1984. Shallow Drilling Hazards Survey, California State Lease 2194, Santa Barbara Channel.
4. WESTEC Services, Inc. 1988. Pre and Post Construction Surveys of Kelp Resources Along the Gaviota Pipeline Corridor for Texaco Trading and Transportation, Inc.

Air Quality

The County of Santa Barbara is located within the South Central Coast Air Basin, and has been divided into two airsheds by the Santa Barbara County Air Pollution Control District (APCD). These airsheds are the south county, which includes the coastal region to Point Conception, and the north county, which includes the Santa Maria/Lompoc/Santa Inez area.

Santa Barbara county is in attainment status for state and federal standards for all pollutants except ozone, hydrogen sulfide and PM₁₀. Both the south county and the north county airsheds exceed the state and federal 1-hour ozone standard. Both airsheds also exceed the state 24-hour PM₁₀ standard, although they meet the federal 24-hour standards as well as the state and federal annual standards.

Pollutants which meet the attainment standards within Santa Barbara county are regulated under the Prevention of Significant Deterioration (PSD) rules. However, if the pollutants are

precursors to a non-attainment pollutant or are a non-attainment pollutant, then they are regulated by New Source Review (NSR) rules.

Geology and Bathymetry

The proposed well abandonment locations are on a seafloor having an average slope of 0.5%. The bottom consists of unconsolidated sediments which are approximately 7 to 17 feet thick at the well sites. These sediments pose no known hazard to setting up a jackup rig on them. The nearest hard rock outcrop is 900 feet to the West-Southwest of well 2199-401A.

This entire region is very active seismically. Several nearby faults, including the San Andreas, the Santa Ynez and the North Channel Faults, are considered active by geologists. Except for the crews removing the gas flowlines onshore, however, the project's workforce will be placed on floating vessels, and will not be affected by the potential strong ground motions associated with movement along these faults.

Marine Biology

Biological surveys were completed on these leases in conjunction with the EIR done for exploratory drilling in 1985, and again in 1986 and 1988 in conjunction with studies for the Platform Hermosa pipeline project and the Point Arguello pipeline project. These surveys described the nearshore area out to the 120 foot contour, as well as specific pipeline routes into deeper water. The actual well sites were surveyed for biological resources by Chevron in 1982, 1983, 1986 and 1988.

The benthic environment at the well sites is composed of soft, unconsolidated sediments, mostly silt to sandy silt. The nearest natural relief consists of a small rocky outcrop 900 feet from one of the well heads.

Several trawls were taken in the vicinity of the well sites, as well as inshore along the flowline paths, for the 1985 EIR. Surveys since then have used submersibles and ROV's to confirm that no changes have occurred to the environment of this area. The deepwater trawls (250 feet) were dominated by the sea urchin Lytechinus anamesus and the ridgeback prawn Sicynia ingentis. The later surveys indicated that the "...soft bottom areas were populated by sea urchins (L. anamesus), Actopus spp. and various sea pens (Stylatula spp.)." The only change noted is some colonization of the well head equipment by sessile invertebrates.

In the nearshore areas, from 1982 to 1988, Giant Kelp, Macrocystis spp., has fluctuated within a depth range of 15 to 75 feet. Other algae species appear inshore of the 50 foot contour.

Commercial and Recreational Fishing

The two State Oil and Gas Leases involved in this project lie within California Department of Fish and Game Block 656. About 20 commercial boats regularly fish the area, as do recreational boaters. Gillnetting, dragging and trapping are the methods most often used in the project area.

The following is a list of species reported from this fish block, and the times of year they are usually taken:

Rock Crab	All months
Dungeness Crab	December-April
Lobster	October-March
Halibut	February-June
Sea Bass	June-November
Thresher Shark	July-October
Other sharks	March-December
Rockfish	June-January

Noise and Visual Resources

Potentially sensitive receptors in the Gaviota area are the Vista del Mar Union School and the Gaviota Beach State Park. Several ambient noise measurements have been made in this area due to proposed oil and gas facilities which were to be located in the area. Based on measurements made near the shoreline, the Gaviota Beach State Park is assumed to have daytime L_{DN} noise levels near 60 dB(A) and nighttime levels of around 56 dB(A). Because of the nearness of the highway, L_{DN} noise levels at Vista del Mar School range from 60 to 70 dB(A).

The visual impact area for the proposed project is shown in Figure 4A. This section of coastline is primarily rural, with a few industrial sites and small pockets of residences. The offshore area is well developed, with numerous platforms within the viewshed of the onshore areas.

Environmental Impact Assessment Checklist
Discussion of Environmental Evaluation

A. Earth

- A1. The project will not result in any unstable earth conditions or changes in geologic substructures. The onshore and nearshore trenching to remove the flowlines will be very shallow and restricted to a maximum disturbance width of 15 feet. The offshore existing wells will be plugged with cement, with no additional disturbance.
- A2. There will be a temporary (less than one month) disturbance of a narrow strip of land from the Gaviota manifold through the beach zone while flowlines are removed. All earth and sand will be returned to original contours.
- A3. All disturbed ground will be returned to its original relief.
- A4. No unique geologic features exist in the project area.
- A5. All soils and sand will be returned to original contours.
- A6. There will be a temporary (less than one month) displacement of a narrow strip of beach sand as the flowlines are removed. Chevron will return the beach and

subtidal sand to its original position and contour.

- A7. The project is taking place in a seismically active area, however, the very short duration of the project reduces the exposure of additional people to geologic hazards in the project area to an insignificant level.

B. Air Quality

- B1. Chevron proposes to use a mobile drilling rig and several small support vessels to undertake this well abandonment project. This equipment emits nitrogen oxides, hydrocarbons and other air emissions as a result of fuel combustion. The estimated emissions from this equipment over the short life of the project are attached as Table 1. All equipment on the drilling rig and support fleet is equipped with emission controls as required by the SBAPCD to reduce NO_x by approximately 40 %. The controls used consist of turbocharged/intercooled engines set with 4 degree injection timing retard. These controls, and the short duration of the project will result in less than 25 tons of NO_x being released. This is considered, under SBAPCD standards, an insignificant effect.
- B2. The project has the slight possibility of releasing gases from the wells to be abandoned. Since the wells have been depleted, there is very little chance of such an escape, but Chevron will install choke manifolds to allow gas to be circulated out of the hole at a controlled rate. H₂S and gas monitoring devices will be present at critical locations around the well. These sensors will detect gasses before they reach critical levels, and will allow Chevron to shut in the well. Well operations will take place under the conditions of Chevron's approved H₂S Curtailment Plan.
- B3. The project will not alter any air movement or climate patterns due to the small number of vessels and the short period of time that they will be on station.

C. Water

- C1. It is possible that there could be a slight shifting of minor currents during the 10 day period that the drilling rig is at each location, but the effect is temporary and considered insignificant.
- C2. The only portion of the project that is onshore, the removal of flowlines, will take place over so short a period (approximately two weeks) and such a restricted location that no surface water flow changes will take place.

- C3. See C2, above.
- C4. The project will not use any surface water nor discharge into any body of fresh water.
- C5. The project has the potential to release a minor amount of hydrocarbons into the Pacific Ocean, which might have a deleterious effect on marine water quality. This is considered highly unlikely because the five wells are depleted, with low remaining pressures and minimum hydrocarbons being present.

To ensure that the risk of release is minimized, the wellheads will be equipped with blow-out preventors and other well control equipment while all work is being performed.

The drilling rig contains a full complement of oil spill containment equipment, as required by current regulations, and a stand-by boat with additional equipment will be stationed on site during all abandonment operations. Equipment available on-site for oil spill containment is listed in Chevron's 1991 Oil Spill Contingency Plan, which has been approved by the State Lands Commission. Any rig used by Chevron will have a specific contingency plan approved by the SLC prior to its commencing operation.

- C6. No surface waters will have their rates or direction of flow altered.
- C7. No ground waters will be effected, as only the offshore portion of the project penetrates deep enough to reach water tables, and that portion only includes the closure of existing gas wells.
- C8. No water available for public water supplies will be used or effected in any way.
- C9. No one will be exposed to flooding or tidal wave hazards due to the location and short duration of the project.
- C10. No known thermal springs will be effected by the project.

D. Plant Life

- D1. The project will not effect plant life in any significant way. Long term continuing surveys of kelp species in the Gaviota area show that the wellhead work is in areas too deep for kelp, and the inshore flowline removal is in an area devoid of substrate for kelp. Actual surveys done in 1982, 1983, 1985, 1987 and 1988 all show an absence of

help in the project's work areas.

No plant life currently exists on the beach in the area to be effected by flowline removal.

- D2. No unique, rare or endangered plant species exist in the project area.
- D3. No new species will be introduced into the area by the project. No planting is planned as part of the project, and the boats to be used offshore will be local.
- D4. No agricultural areas are included in the project area.

E. Animal Life

- E1. The project will not change the diversity of any animal community. A few individuals will be removed when the wellhead equipment is taken from the sea floor, but the nearby rock outcrops contain the same community.
- E2. No unique, rare or endangered animal species are known to exist in the project work area.
- E3. No new species will be introduced into the area, as the boats to be used are all local. The jackup rig will not be a barrier to migration because it will be in place for only a maximum of 10 days in any one location.
- E4. As discussed in E1, the "relief" provided by the five wellheads will be removed. There is sufficient natural relief provided by rock outcrops within 1/2 mile or less that this is not seen as a significant impact.

F. Noise

- F1. There will be a slight increase in noise during the well abandonment operation, but studies done for the 1985 EIR indicate that it will be insignificant on shore due to the distance that the well heads are offshore. The only significant noise source would be the Coast Guard required "2 mile" fog signal.
- F2. The project will not subject anyone to severe noise levels since it takes place offshore, and the drilling crews are trained in noise protection procedures.

G. Light and Glare

- G1. The proposed project will add a new source of nighttime lighting in the area offshore of Gaviota for a period of less than two months. The project has added mitigations which reduce this short impact to insignificance,

including aiming lights towards working surfaces and providing shielding on lights to prevent direct glare onto the shore.

H. Land Use

- H1. No alteration of land use is proposed for this project; however, a portion of the offshore is being removed from gas production. Onshore land use will not change.

I. Natural Resources

- I1. The project will not increase the rate of natural resource use to a significant degree due to its small size, short duration and limited amount of equipment.
- I2. The project will not substantially deplete any nonrenewable resources due to its short duration.

J. Risk of Upset

- J1. The project has the risk of upset and release of oil or gas inherent with any oil and gas project, including abandonment. An accident can pose the threat of injury to human personnel on and near the drilling vessel. In addition, there is the possibility of releasing toxic materials to the near-project environment.

These risks are of very low probability in this case due to the well's depleted state, and are reduced to insignificance by the mitigations included in the project. The well control procedures required by both the State Lands Commission and the Division of Oil and Gas, combined with the procedures outlined in Chevron's approved Oil Spill Contingency Plan are deemed adequate to reduce the risk to insignificance in this instance.

The plugging of the abandoned wells and removal of the wellhead equipment is seen as a beneficial impact in this case, as it will prevent deteriorating equipment from releasing hydrocarbons into the environment at some future time.

- J2. The project will not interfere with any emergency response plan since it takes place offshore in a location which does not have any other oil and gas operations going on.

K. Population

- K1. The project will not effect the area's population characteristics since it is of very short (less than two months) duration and involves a very small work crew.

L. Housing

- L1. The project will not bring any new permanent residents into the area, and will not generate any significant demand for temporary housing, due to its small size and limited duration.

M. Transportation

- M1. The only additional traffic to be generated onshore will be for the disposal of the wellhead equipment and the drilling muds and cuttings. This will not generate a significant number of truck trips over the course of the two months the project is in operation, as less than 10 cubic yard of muds and cuttings should be generated.
- M2. The project will not generate any additional parking demand over the current levels. Parking at the Santa Barbara Airport will be limited to that which is available for Chevron's use according to Chevron's current usage contract with the airport.
- M3. See M1.
- M4. No transportation patterns now in existence will be altered by this project.
- M5. The presence of a stationary drilling vessel for even a short period of time may interfere with commercial fishing activity and recreational navigation off Gaviota. This will be mitigated both by the short duration of the project and by Chevron's publishing of its operational schedule in the Santa Barbara Marine Advisory Program Newsletter, the US Coast Guard Notices to Mariners and through the Fisheries Liaison Office.

Some helicopter traffic will be generated from the Santa Barbara airport to the drilling rig. This traffic could be up to three flights per week, and will follow standard to and from the airport. This volume of traffic is considered within the airport's capacity, and is not significant.

- M6. The project will not increase any traffic hazards to ground transportation modes since it takes place offshore.

N. Public Services

- N1. The project will not effect fire services since it takes place offshore, and the drilling crews are trained in damage control on their own vessels.
- N2. The project will not effect police services since it

takes place primarily offshore.

- N3. The project will not effect schools since it is of such short duration that new students will not be brought into the area.
- N4. The project will not require any changes in recreational facilities because it takes place offshore and is of very short duration.
- N5. No additional maintenance for public facilities will be required due to the project since it takes place offshore.
- N6. The project will not effect any governmental services since it takes place offshore and is of very short duration.

O. Energy

- O1. The project's small size and short duration requires an insignificant amount of fuel to be expended by the vessels during this period.
- O2. The project will not require any new sources of fuel, or make any demands on existing sources other than normal boating operations.

P. Utilities

- P1. The project will not use electric power or natural gas from utilities at all.
- P2. The project will use normal radio communications systems, and will not require any modifications to existing systems.
- P3. The project will not use any public water systems.
- P4. The vessels involved in the project have their own self contained sewage disposal systems, and will not use public systems.
- P5. The project takes place offshore, and will not impact any storm drainage systems.
- P6. All equipment, wellheads, flowlines, flowline sleds, templates and casings will be barged to Port Hueneme dock where it will be salvaged out as junk equipment. Drilling muds and cuttings will be barged to shore and disposed of at an approved Class II-I or Class I disposal site.

Q. Human Health

- Q1. The only risk to human health posed by the project is that posed by upset; see discussion under J1.
- Q2. The project will not expose anyone to any health hazards other than those to be expected while working around heavy equipment; see discussion under J1.

R. Aesthetics

- R1. A drilling rig and one to three small vessels will be on station in view of the coast for a period of up to two months. They will be visible from the Coast Highway, a local high school, a few residences and from Gaviota Beach State Park. An analysis of the potential impact done for the 1985 EIR used the following weighting factors : 1) viewing population; 2) distance from the project to the receptors; 3) duration of the project; and 4) degree of change. The EIR concluded that the visual impact would be insignificant due to the short duration of the project.

S. Recreation

- S1. The project takes place offshore of Gaviota Beach State Park, and could lessen the recreational experience for some visitors in this high-use park. The rig will be in place for only ten days on each well, however, and Chevron will prepare an exhibit for the Park that explains that wells are being removed, a generally acceptable operation from the public's point of view.

T. Cultural Resources

- T1. No prehistoric or historic sites were discovered when the flowlines were put in place originally, and electronic surveys of the wellhead locations does not indicate the presence of any sites at these locations.
- T2. The project will not effect any historic or prehistoric building, structure or object.
- T3. The project does not have any potential to cause physical changes that would effect any unique ethnic cultural values.
- T4. The project will not effect any religious or sacred use of the project area.

U. Mandatory Findings of Significance

- U1. The project will not degrade the environment in any significant way, both due to the short duration on site, and due to the mitigations built into the project design. No species of plant or animal life

will be stressed. The removal of the wellhead equipment and flowlines is a beneficial effect of the project.

- U2. The project will not have any long-term environmental effects, and the short term effects are beneficial.
- U3. No other projects are contemplated within the time frame of the proposed project. There are several other wells in the area that will be abandoned over the next few years, but no applications have been received by the State Lands Commission as yet. The Commission will be preparing an EIR for three Chevron wells to be abandoned in the Summerland area, and will deal more extensively with the possible cumulative effects of abandonments in that document.
- U4. The project will not have any environmental effects which will cause adverse effects on human beings, directly or indirectly as discussed in the preceding sections.

CHEVRON WELL ABANDONMENT 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 Chevron Well Abandonment Project which entails the abandonment of 5 subsea gas completions and removal of associated equipment from the Santa Barbara Channel offshore of Gaviota in Santa Barbara County.

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

Chevron USA, Inc. (the Applicant), its representatives 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.

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 Chevron. Progress toward completion of the required mitigation program, or deficiencies thereof, shall be reported to Chevron 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 Applicant's report and confirmation by SLC Staff.

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VIOLATIONS

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

1. Notify Chevron or its designated representative by telephone and order immediate compliance;
2. Prepare written notification to Chevron 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 Chevron:

1. Written notification and demand by the SLC for correction,
2. Issuance of an infraction citation,
3. Filing for legal action.

If a dispute arises concerning the implementation or success of a mitigation, the dispute may be referred to the Executive Officer of the SLC 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 Chevron, USA.

Section 2

PROJECT DESCRIPTION

Chevron USA plans to remove and permanently abandon five depleted subsea gas wells that were drilled in the 1960's on State Oil and Gas Leases PRC 2199 and PRC 2894. These leases are located offshore of Santa Barbara County near Gaviota.1.

The wells are approximately 2.0 to 2.5 miles offshore in water depths up to 260 feet. Wells 101 and 301 were never produced, and do not have any associated gas pipelines (called flowlines). Wells 201, 401A and 1 do have associated flowlines and other well head equipment attached. The latter three wells, however, were shut-in several years ago.

All equipment, except for a portion of the well flowlines to shore, will be removed from the seafloor and disposed of onshore. The wellhead equipment, guideplate, and casing down to 5 feet below the mudline will be removed during the abandonment. One mobile drilling rig will be used to perform all of these well abandonments; it would be in place for approximately 10 days for each well. The rig would be supported by crew and supply boats and helicopters as needed. The helicopters will fly from the Santa Barbara airport; Bell 206's (or equivalent) would be used approximately twice weekly for service personnel and Bell 212's (or equivalent) approximately once a week for crew changes or supplies. Crew boats would come from Carpinteria (2 hours, one way) on a daily basis. Supply boats would come out from Port Hueneme (4 hours, one way), approximately twice a week. All drilling muds and fluids will be barged to shore, and transported by trucks to an appropriately permitted handling facility. Divers or an ROV will be used to make a sweep of the well site to confirm that the area is free of obstructions when the abandonments are complete.

The onshore portions of the flowlines will be removed from their tie-in points at the manifolds at the Gaviota Marine Terminal to the water. This will involve the disturbance of a section of land approximately 15 feet wide, extending from the manifolds, through the bluff, and the beach area. This work will take about two weeks, and all disturbed soil will be replaced. The near shore portion of the flowlines will also be removed, out to 10-15 feet of water depth. Divers using hydro jets will remove the sand cover which will be replaced at the end of the project. The divers will be supported by a small diver support vessel and a materials barge. The remaining section of flowline will be filled with grout and left in place. This portion of the project will take about two to four weeks.

Section 3

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 of 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 lease control conditions, reporting requirements and inspection procedures. The State Lands Commission has field inspection and monitoring staff to monitor and enforce these conditions on all State leases. These SLC inspectors will review and verify receipt slips for wastes disposed of at appropriate disposal sites.

2. Impact: On-shore and near-shore removal of gas flowlines.

Project Modifications: Onshore/offshore disturbance shall be limited to a 15 foot corridor from the Gaviota manifolds to a water depth not to exceed 20 feet.

All soil and sand disturbed during flowline removal shall be returned to its original position and contours.

Monitoring: SLC will conduct pre- and post-removal inspections to verify that disturbed areas are returned to original contours.

3. Impact: Upset conditions could result in an accidental release of gas, oil or drilling fluids.

Project Modifications: The following measures have been incorporated into the Chevron project to prevent or minimize effects of upset conditions.

- a. The project operation will employ state-of-the-art blowout prevention technology and mud monitoring equipment.
- b. All supervisory personnel will be blowout and well control certified.
- c. Because the wells have been depleted and are not free flowing, spills from blowouts are not expected. Spills from the tanks on the drilling rig can be contained within the rig in well bays or holding tanks. H₂S and gas monitoring devices will

be present at critical locations around the well being abandoned.

Monitoring: Chevron has filed, and the SLC has approved, a 1991 Oil Spill Contingency Plan which addresses specific spill control measures for all operations in the Santa Barbara Channel. Chevron is also a member of Clean Seas, Inc.

SLC inspectors will ensure that all aspects of the Oil Spill Contingency Plan are implemented as provided in the event of any spill. Inspectors will also verify that all equipment required by the plan is present and in working order at all times, and that drilling crews are trained in its use.

4. Impact: Anchors and rig legs can damage fragile hard bottom habitats.

Project Modification: Chevron will ensure that anchors and drill rig legs are not placed on known hard bottom areas.

Monitoring: All hard bottom areas have been identified and mapped; SLC field inspectors will ensure that placement activities remain away from these areas.

5. Impact: Around-the-clock operations on the drilling rig requires lighting throughout the night.

Project Modification: All lighting on the drilling rigs, except for navigation lights, will be directed towards the working surfaces only, and will be shielded so as to prevent direct glare towards the shore.

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

6. Impact: The project will generate some additional boat and helicopters traffic in the Santa Barbara Channel.

Project Modification: All vessels and helicopters supporting the proposed project will use established vessel traffic routes.

Monitoring: SLC inspectors will observe selected trips to ensure that proper routing is taking place.

7. Impact: The drill rig and support vessels will be in an area used by recreational boaters and fishermen.

Project Modification: Chevron will publish its operating schedule in advance through the Santa Barbara Marine Advisory Program Newsletter, the USCG Notices to Mariners and through the Fisheries Liaison Office.

Monitoring: SLC inspectors will verify that the appropriate

notifications have been made prior to Chevron beginning an operation.

8. Impact: The drill rig, and support vessels will be visible from Gaviota Beach State Park.

Project Modification: Chevron will prepare an exhibit for the State Park that explains that gas wells are being removed from the seafloor off the park.

Monitoring: SLC inspectors will verify that the exhibit is in place during well abandonment operations.

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