

# Status Update on Oil and Gas Operations

Board of Directors  
Santa Barbara County  
Air Pollution Control District

Our Mission: To protect the people and the environment  
of Santa Barbara County from the effects of air pollution.

Aeron Arlin Genet  
Executive Director / Air Pollution Control Officer

Kaitlin McNally  
Compliance Division Manager

August 17, 2023

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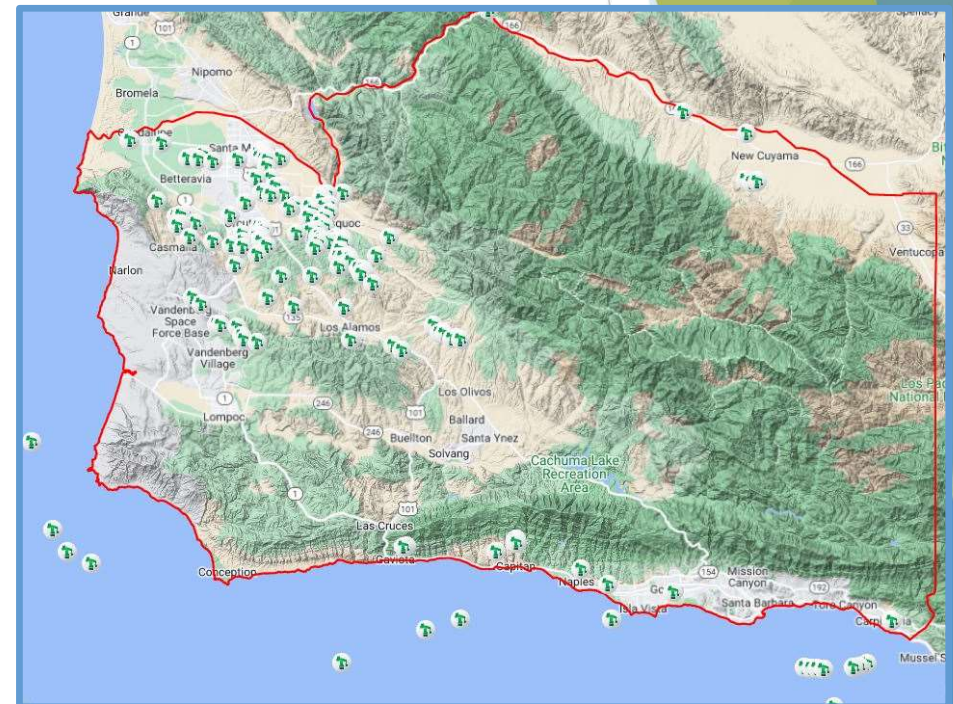
# Overview

- ▶ Background
- ▶ Onshore Oil and Gas Operations
- ▶ Offshore Platforms
- ▶ Inspections
- ▶ Enforcement
- ▶ Compliance Statistics
- ▶ Methane Emissions
- ▶ Orphan Oil and Gas Operations



# Background

- ▶ Federal Clean Air Act and California Health and Safety Code
- ▶ 89 permitted oil and gas sources:
  - Active, idle, and orphan wells
  - Oil and gas plants
  - Asphalt refinery
  - Oil and gas pump stations
  - Natural gas storage facility
  - Natural gas odorant & metering stations
- ▶ Permitted Facilities Map



<https://map.ourair.org>

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# Onshore Oil and Gas - Pipelines

- ▶ Plains All-American Pipeline:
  - May 2015 rupture and closure
  - October 2022 sold to Pacific Pipeline Company
  - Out of service
- ▶ Phillips 66 Pipeline:
  - January 2023 Phillips 66 Santa Maria refinery closed
  - Idle



# Onshore Oil and Gas - Decommissioning

- ▶ Beachfront Lease PRC-421
  - California State Lands Commission
- ▶ Carpinteria Gas Plant
  - Chevron U.S.A., Inc.
- ▶ Ellwood Marine Terminal
  - University of California - Santa Barbara
- ▶ Gaviota Oil Heating Facility
  - Freeport-McMoRan Oil & Gas, LLC.
- ▶ Summerland Legacy Well Re-Abandonment
  - California State Lands Commission
- ▶ Waite Bradley/Brookings Lease
  - BE Conway Energy, Inc.



# Onshore Oil and Gas - Transfers

- ▶ Pacific Coast Energy Company acquired additional oil and gas leases:
  - 28 Leases from Team Operating Company
  - Escolle Lease from Amrich Energy
  - Careaga Lease from Santa Maria Energy
- ▶ Angel Petroleum acquired 147 wells from Team Operating Company



# Onshore Oil and Gas - P&D Applications

- ▶ Gato Ridge/West Cat Canyon (Cat Canyon Resources)
  - Application for gas pipeline to connect Tognazzini Lease to Cat Canyon
- ▶ Lompoc Oil Fields (Sentinel Peak Resources)
  - Application for new truck loading rack and related trucking operations
- ▶ Orcutt Hill (Pacific Coast Energy Company LP)
  - Application for bi-directional pipeline between Orcutt Hill leases
- ▶ Sisquoc/North Garey (Asphalta, LLC. f.k.a. PetroRock, LLC.)
  - Application for additional steam generator

# Onshore Oil and Gas - Not Operating

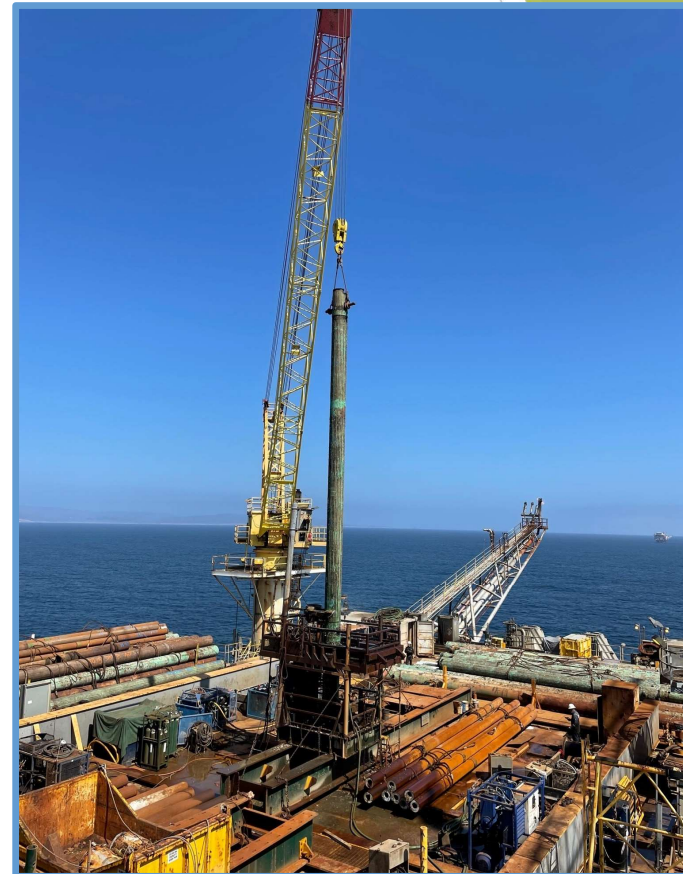
- ▶ Ellwood Onshore Facility (Venoco, LLC.)
  - Idle and for sale
- ▶ Lompoc Oil and Gas Plant (Freeport-McMoRan Oil & Gas, LLC.)
  - Idle due to Phillips 66 Santa Maria refinery closure
- ▶ Santa Maria Asphalt Refinery (California Asphalt Production)
  - Shut down due to SBC Fire June 2021 stop work order and for sale
- ▶ Santa Ynez Unit Oil and Gas Plant (ExxonMobil Upstream Company)
  - Preservation mode, Part 70 permit renewals issued February 2023





# Offshore Platforms

- ▶ 16 Platforms:
  - 5 operational (A, B, C, Henry, Hillhouse)
  - 7 being decommissioned (Habitat, Harvest, Hermosa, Hidalgo, Hogan, Holly, Houchin)
  - 4 shut-in, awaiting method to get oil to the market (Harmony, Heritage, Hondo, Irene)



# Inspections

- ▶ Initial and routine
- ▶ Major sources: 2-4 times per year
- ▶ Small and medium sources:
  - Once per year
  - Once every two years
  - Once every three years
- ▶ Frequency determined by:
  - District priorities and workload
  - Inspector staffing levels
  - Compliance history of the source

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# Inspection Equipment



FLIR GFX 320 Infrared Camera



Jerome J605 H<sub>2</sub>S Analyzer



Personal H<sub>2</sub>S Monitor



Toxic Vapor Analyzer 2020



H<sub>2</sub>S Colorimetric Tube and Pump

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# Enforcement

- ▶ Notice of Violation (NOV):
  - Documents non-compliance with air quality requirements
  - Initiates corrective action to comply with applicable requirements
  - Reduces air pollution
- ▶ Monetary penalties
  - Incentive for continuing compliance
- ▶ District staff ensure compliance is achieved

apccd air pollution control district  
SANTA BARBARA COUNTY

**NOTICE OF VIOLATION** 13322  
VIOLATION NUMBER

05/11/2023 05/11/2023  
DATE OF DISCOVERY DATE OF VIOLATION

NAME Team Operating LLC PHONE (661) 372-2171  
ADDRESS P.O. Box 6030, Santa Maria, CA 93455  
LOCATION OF VIOLATION Jim Hopkins Lease

FD# 03092 PERMIT / REG / NOTIF # PTO 09310-R8

YOU ARE HEREBY NOTIFIED THAT PURSUANT TO SECTION 40702  
OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA A VIOLATION  
HAS BEEN COMMITTED THROUGH THE FOLLOWING ACT: VIOLATION OF  
DISTRICT RULE(s): 325 D.1 (2 counts)

BY:  
storing crude oil in a tank battery without a leak-free, properly installed, maintained and operated vapor  
recovery system.

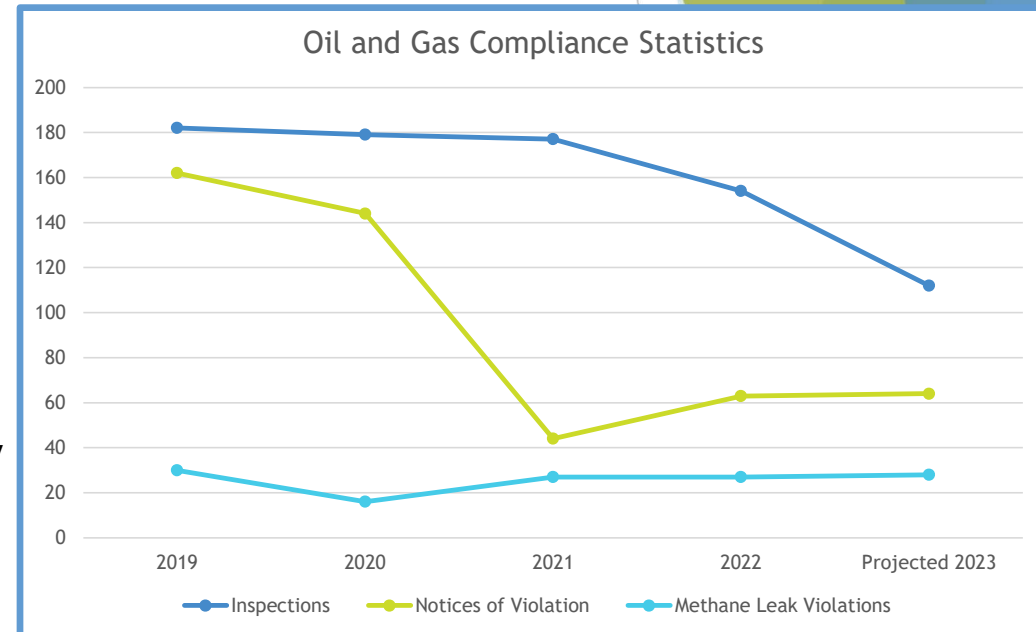
Served to: Aaron Bush By: Sage Swain  
Title: Safety, Health and Compliance Manager Title: AQ Specialist, Compliance Division

Sent Via Electronic Mail # aaron.bush@teamoperating.com Date: May 12, 2023  
ENF-71 (09/21/2011)

Aaron Arlin Genet, Air Pollution Control Officer  
(805) 979-8050 | 260 N. San Antonio Rd., Ste. A, Santa Barbara, CA 93110 | ourair.org | @OurAirSBC

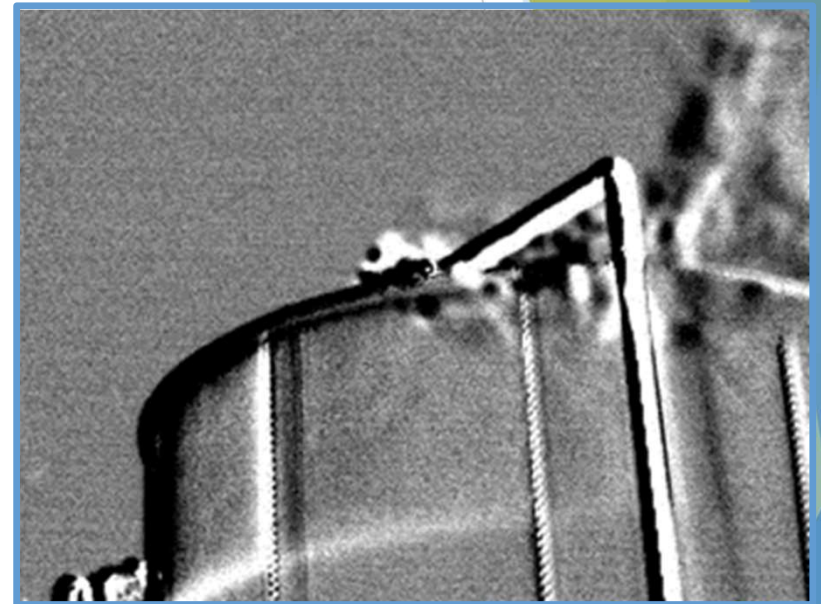
# Compliance Statistics

- ▶ Decrease in oil and gas production:
  - Platform decommissioning due to 2015 Plains All-American Pipeline rupture
  - Relinquished oil platform leases
  - Bankruptcies
  - 2023 Phillips 66 Santa Maria Refinery closure
- ▶ District workload decreases
- ▶ District decreased fee revenue



# Methane Emissions

- ▶ District Rule 331 Fugitive Emissions Inspection and Maintenance:
  - Regulates fugitive leaks at onshore and offshore oil and gas facilities
- ▶ CARB Oil and Gas Methane Regulation:
  - Regulates methane emissions from oil and gas production, processing, storage, and transmission stations
  - June 2023 amendments:
    - Better align with US EPA requirements
    - Implementation experience improvements
    - Make it easier to understand and adhere to



# Methane Task Force

- ▶ Methane Task Force jointly lead by CARB and CalGEM
- ▶ Goals:
  - Identify and respond to methane leaks from oil infrastructure near communities
  - Address the impact methane has on climate change
- ▶ Convenes on a regular basis to:
  - Share updates on statewide efforts
  - Elevate opportunities for public and local agency engagement

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# Orphan Oil and Gas Operations

- ▶ 210 wells orphaned through HVI Cat Canyon bankruptcy process:
  - 171 wells being permanently plugged and abandoned by CalGEM
  - 39 wells may require complex remedial work and will be addressed separately by CalGEM
- ▶ The District is working closely with CalGEM to:
  - Ensure the project complies with all District regulatory requirements
  - Explore services the District could provide to verify no remaining methane emissions or leaks





# Questions



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