

ATTACHMENT 3

United States Department of the Interior, Bureau of Safety and
Environmental Enforcement Letter to the District,
dated June 1, 2024

July 3, 2024

Santa Barbara County Air Pollution Control District
Hearing Board

260 San Antonio Road, Suite A
Santa Barbara, California 93110



United States Department of the Interior

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

Pacific OCS Region

760 Paseo Camarillo, Suite 102

Camarillo, CA 93010-6064

06/01/2024

Chair Dressler and Members of the Hearing Board
Air Pollution Control District
Santa Barbara County
260 N. San Antonio Rd., Suite A
Santa Barbara, CA 93110

RE: Platform Hogan and Houchin Variance Petitions - July 3rd Hearing Board Meeting

Dear Chair Dressler and Members of the Hearing Board,

Last year I submitted comments where I provided responses to inquiries about responsibility for decommissioning Platforms Hogan and Houchin and BSEE's abatement orders to the prior lessees. (see attachment) The prior lessees chose to appeal those orders to the IBLA, disputing that they accrued the relevant decommissioning obligations under the applicable lease terms and regulations. On May 10th, 2024, I received an inquiry from Aimee Long with SBCAPCD requesting an update for the IBLA appeals. I reported that the IBLA has not yet begun their review of the appeals which were filed on August 16, 2021. During my attendance at last year's SBCAPCD Hearing Board meeting on July 5th, I indicated that decisions from the IBLA in some cases have taken 5-7 years. If that were the case in this situation, a decision may not be forthcoming for another 2-4 years, perhaps longer.

In connection with that filing, the parties entered into a partial stay agreement to address the ordered performance during pendency of the appeal. That agreement requires the prior lessees to perform certain maintenance and monitoring activities to maintain safety and environmental protection and to preserve the Lease assets for decommissioning while the appeal disputing their ultimate decommissioning responsibility is pending. The IBLA approved the agreement in February 2021. Since that time, ConocoPhillips (COP) through their agent Beacon-West (BW) and contractors have invested extensive resources into the maintenance and restoration of the Hogan and Houchin facilities under this agreement, including repair, replacement, and upkeep of equipment designed to control and minimize emissions.

Through routine BSEE inspections at these facilities, and quarterly updates by COP and BW, it has been well documented that the ongoing work has far exceeded the terms of the Partial Stay Agreement. A vital upgrade has been the replacement or refurbishment of the north and south cranes for both platforms, which took a significant amount of time effort, and ingenuity. Without their repair, most of the work conducted to date to help ensure worker safety would not have been possible. This work included the replacement of stairs, handrails, deck plating, boat landings, installation of security gates, all necessary for workers to have safe ingress and egress. Then work safely progressed, including replacement of emergency escape equipment per USCG requirements, the removal and disposal of hazardous material, gas detector system replacement, fire water system repair, installation of pressure gauges on wellheads, establishment of a well pressure monitoring program, and the removal of two inoperable rigs and their substructures (which is still ongoing), as well as many other facility upgrades.

Related to air quality issues, the flare on Hogan was put back-into-service in January 2023, after the upgrades that I mentioned were completed. Only then could the repair of the flare be done safely. Wells on Platform Hogan that exhibit gas pressure, monitored daily, are periodically bled down for safety considerations with the vented gas now able to be flared per SBCAPCD requirements.

Following the installation of a working crane on Platform Houchin, similar facility upgrades were undertaken including new deck plating around its damaged flare boom. This preliminary work was necessary before this flare could safely be repaired and put back-into-service in March 2023. Both flares on Hogan and Houchin are only used intermittently as necessary. In addition, pipelines have been removed from the wellheads at both facilities and these connections blind-flanged, to reduce potential fugitive emissions.

Most of the significant facility upgrades at Platform Hogan to address worker health and safety have been completed, but the inoperable rig substructure removal is still ongoing. Platform Houchin, which in general terms was in worse condition than Platform Hogan when Signal Hill relinquished the lease to BOEM, still requires a significant number of upgrades. COP estimates that the work necessary to bring it into a condition where well work can be conducted safely may be a year or more.

Well abandonment operations for 51 shut-in wells and subsequent conductor removals must be completed before ultimate decommissioning can commence. Once started, the well abandonment and conductor removal programs may take 3-to-4 years to complete. In addition, the conductor removal program will require an Environmental Assessment to be prepared prior to this work being initiated.

Approval of future SBCAPCD air permit variance requests are critical for the ongoing operations to continue and for COP to comply with the Partial Stay Agreement. All the work they are currently doing is what a prudent operator would be doing to prepare these facilities for future well abandonment projects and ultimately the decommissioning of these platforms.

I plan to attend the July 3rd Hearing Board meeting and I'm more than glad to answer any questions you or the SBCAPCD Board members may have.

Thank you for your consideration in this matter.

Respectfully,

**BRUCE
HESSON**

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