

Ellwood/South Ellwood Decommissioning Project Abandonment Updates

Goleta Town Hall | March 10, 2021

CALIFORNIA STATE LANDS COMMISSION



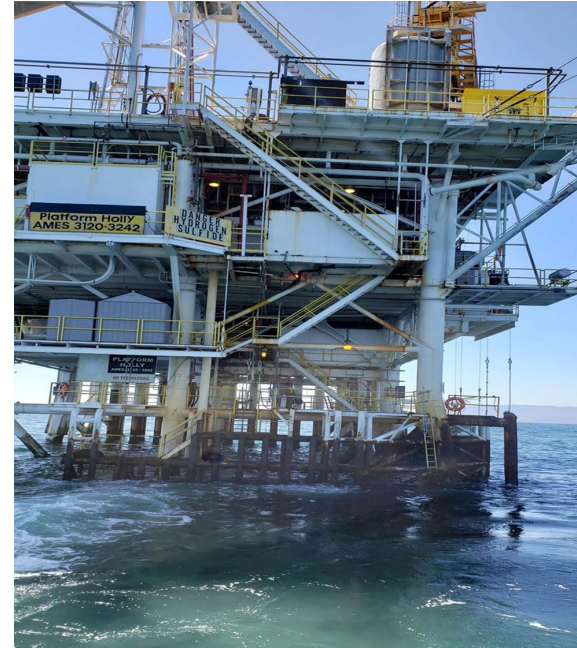
California State
Lands Commission



Platform Holly – Shut-in continues

Commission staff and ExxonMobil are meeting regularly to assess the potential for restarting work based on:

- Pandemic intensity and physical distancing requirements;
- Medical advances in treatment;
- Vaccine administration.



Why are we still shut-in?

The decision to suspend all operations is based on several factors:

- the large number of people needed to operate the equipment necessary
- the difficulty in transporting sufficient personnel on crew boats while physically distancing
- the relatively small size of the platform w/40+ people on board

The shutdown has now lasted 12 months, but we hope to be back in operation, plugging and abandoning the wells by late summer:

- Assumes virus continues to abate
- Assumes vaccines are effective and full roll out in the next few months
- New therapeutics coming online

Current Activity

- The Commission and its contractor, Beacon West Energy, will continue to staff Holly and the other facilities with a reduced crew in order to maintain health and safety, monitor security, monitor the wells, and maintain the equipment left on the platform.
- As many may be aware, our ability to use the Ellwood pier terminated on November 30, 2020, and we continue to negotiate an agreement for access with the landowner. Transportation operations have moved to Goleta pier in the interim while we continue efforts to re-establish operations from the Ellwood pier.

The Future?

- Once plugging and abandonment operations resume, we estimate that the project will take up to 24 months to complete.
- After, or concurrently with the end of the plugging and abandonment of the wells, there will be a CEQA analysis (EIR) to determine final platform disposition.

Ellwood Onshore Facility (EOF)

- No new operations have occurred or are planned at this time.
- Commission staff and its contractor have begun the 2nd phase of taking unused equipment at the facility Out of Service (OOS).
- The Commission had to dispose of oil that had “trickled” in over the last few years and which had almost reached the capacity of the storage tanks at the facility. The operation took about 12 days and there were no problems encountered.



PRC 421 Piers and Wells



A Little History (the Ellwood Oil Field --1930's)

- The original oil and gas lease (Lease No. 89, later changed to Lease No. PRC 421 in 1949) was issued in 1929.



Historic oblique photo (dated "1930's") showing the many oil pier structures at the time. (source: UCSB Collection)

A little more history

- PRC 421 Lease and the associated two wells and pier structures were among the assets quitclaimed to the State in the Venoco bankruptcy filing in 2017.
- The wells were shut-in (non-productive) at the time the State took control of them. Well 421-1 had not produced oil since 1972. Well 421-2 had not produced oil since 1993.
- In 2019, the two wells, 421-1 and 421-2, were successfully plugged to the surface to regulator specifications under the direction and supervision of the Commission and the California Geologic and Energy Management Division (CalGEM).

Decommissioning PRC 421 Infrastructure

- Preliminary engineering and environmental analysis is complete.
- The Notice of Preparation is being prepared by Commission staff and should be released in the next few weeks to begin the CEQA process.
- Commission staff, in cooperation with all interested agencies and the public, will prepare the required environmental document. We hope to bring that document for approval before the end of the year.
- The work to completely remove the infrastructure in the surf zone and on the beach is now expected to begin in the spring or summer of 2022.

Decommissioning – Components

Within the Commission's Jurisdiction:

- Well Cellars (within caissons)
- Caissons (the big ugly square metal/concrete structures)
- Potentially contaminated soil within the caissons (still being assessed)
- Piers (link access road to caissons)

Outside of the Commission's Jurisdiction:

- Access road and revetment
- Pipelines within the road/revetment

Decommissioning – Caissons (exterior)



Original Sheet
Pile Walls



Seawall

Decommissioning – Caissons (Interior)



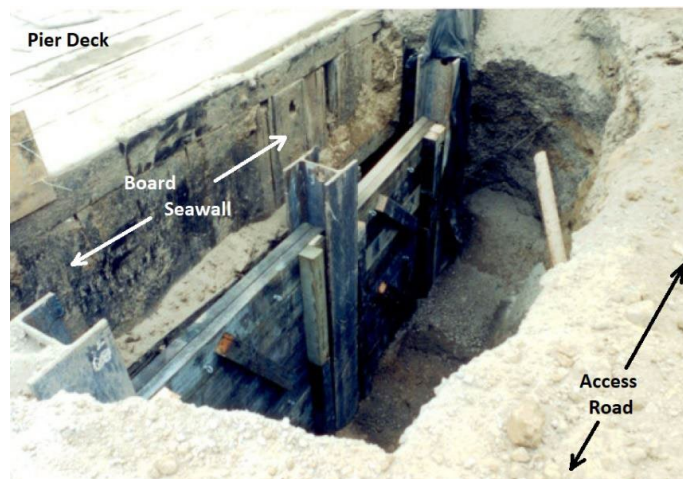
Caisson
Interior
421-1



Caisson Interior 421-2



Decommissioning – The Piers



"Soldier Piles" installed in 2001



Decommissioning – the Execution



Low Tide = Work!



High Tide = No Work!



Decommissioning – Miscellaneous

- A workforce of approximately 10 to 27 contractors and project management personnel will be required for on-site operations. Peak personnel on site will likely occur during the caisson wall demolition.
- Equipment will be removed from the beach and returned to the EOF staging area or pier access road at the end of each workday and during high tides.
- Public access to the beach will be made available as conditions allow to ensure public health and safety.



Decommissioning – Miscellaneous cont.

Although there is virtually no risk of an oil spill from planned operations since the wells are fully plugged and abandoned, initial response oil spill containment equipment will be located onsite to mitigate any oily soil or natural seep releases that may occur during the work.





THANK YOU.

QUESTIONS?

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