

## **Ellwood Onshore Facility Handover Status**

The purpose of this document is to identify the steps the State Lands Commission (“SLC” or “Commission”) has taken to inert equipment at the Ellwood Onshore Facility (“EOF”) prior to vacating the facility at the end of the Platform Holly plug and abandonment work and to highlight outstanding issues. The State Lands Commission declares that the EOF will no longer be required for supporting the Commission’s work to remove risks from hydrogen sulfide gases (“H<sub>2</sub>S”), by May 31, 2023. The State Lands Commission understands the significant interest in the status of the EOF by a wide variety of stakeholders, including the local community, the city of Goleta, County of Santa Barbara, and Tribal governments and communities. The Commission values transparency and prepared this document for use by the relevant government agencies, stakeholders, and the public to better understand the current state of the facility and help inform next steps. The document will be updated and versioned to reflect any changes in the status of the EOF as the Commission completes the Platform Holly well plugging and abandonment work.

As background, the EOF, located at 7979 Hollister Ave, Goleta, is an oil and gas processing facility in operation since the 1970's to treat and process oil and gas produced from Platform Holly, located 2 miles offshore. The EOF is integrally linked to the platform and has been essential to treat and strip lethal concentrations of H<sub>2</sub>S gas that is produced from platform wells in the Monterey geological formation. Given its designation as an oil processing facility and consistent with the directives of local, state, and federal law, the EOF has been continuously staffed by qualified professionals while the platform was capable of production.

In April 2017 the owner of the EOF, Venoco LLC, declared bankruptcy and ceased to operate and maintain the facility and Platform Holly, located offshore. Because the EOF was vital to processing the lethal concentrations of H<sub>2</sub>S gas pressurizing on the platform, the Commission on behalf of the State of California, occupied the EOF under its police powers to preserve public health and safety. This posture was validated after a weeklong trial in the U.S. Bankruptcy Court for the District of Delaware in March 2022, at the conclusion of which the presiding judge held “[t]his type of action by a government entity – action taken to manage a potentially hazardous situation on private property that is not sufficiently managed by the property owner – is an exemplary illustration of its police powers.” (*Eugene Davis v. State of California*, U.S. Bank. Ct. Dist. Del., Case No. 18-50908). The Commission, through town halls and other public statements, indicated it would occupy the EOF through the final plug and abandonment of the 30 wells located on Platform Holly. The EOF remains the property of the liquidating trustee of the Venoco LLC, estate (the “trustee”).

Since 2017 the SLC has ensured the EOF remains compliant with permit conditions and other requirements of law. During the Commission's use, neither the EOF nor Platform Holly produced oil or gas commercially. Equipment at the EOF was used to strip H<sub>2</sub>S and incinerate gas bled from the platform for well pressure management. Residual oil collected from that gas was stored in crude oil tanks which have been emptied and cleaned (see below).

In 2020, the Commission conducted a basic program to place equipment at the EOF, which was redundant and closed in by Venoco, into a safe, idle condition. The redundant equipment was de-energized, drained, flushed and purged where possible and appropriate.

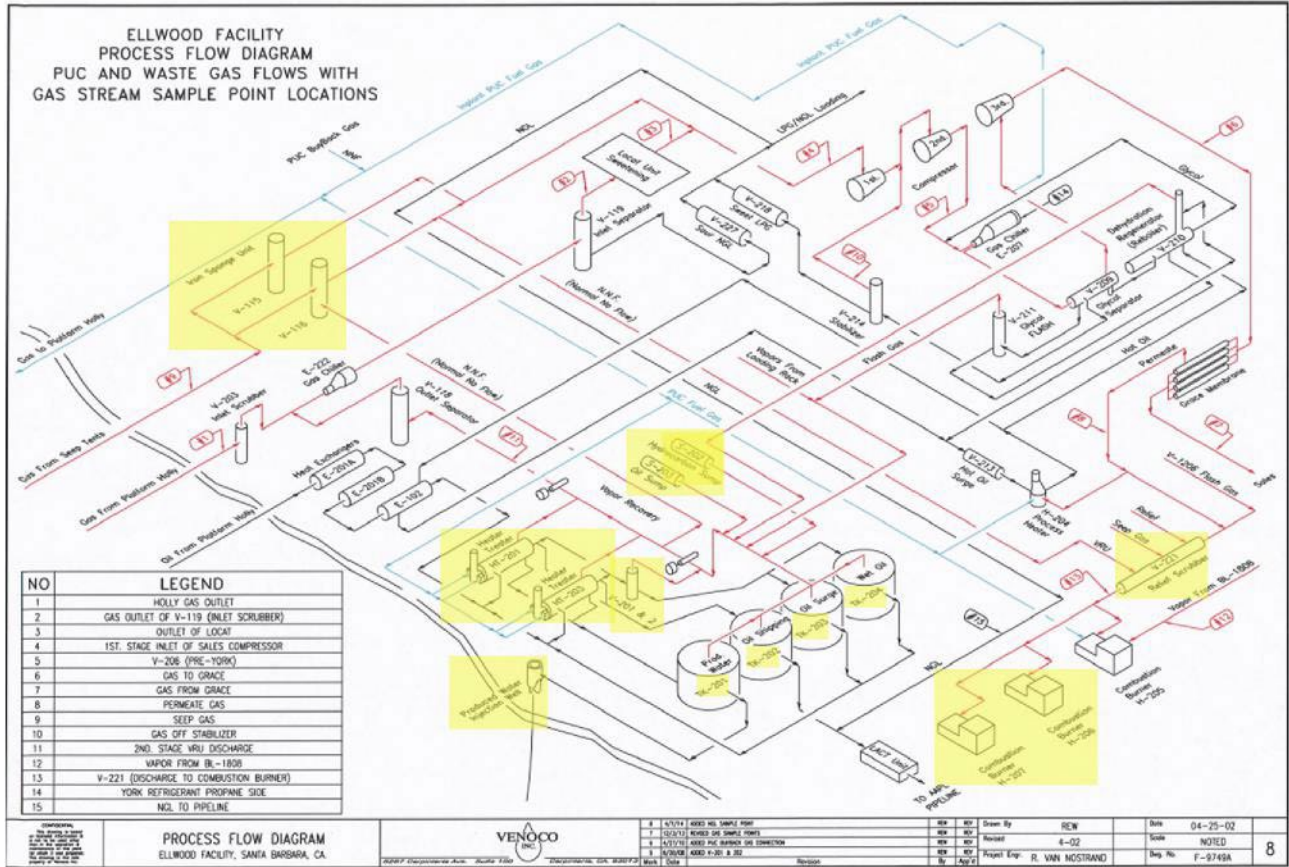
By the time EOF operations ceased, equipment utilized by the Commission for receiving and treating the H<sub>2</sub>S gas (with some residual oil) from the platform was de-energized, flushed and cleaned where appropriate. The Commission did not disconnect or air gap process equipment to place it Out of Service ("OOS") as title to that equipment and final decisions regarding its disposition lay with the trustee.

## **Planned Status of EOF Equipment at the End of the Commission's Presence**

### **Current as of 6/9/2023**

#### **Equipment utilized during the Commission's 2017 – 2023 occupation.**

The items highlighted in yellow were used to process gas and residual oil from the P&A process and have been placed in a safe condition, shut in, drained, flushed, purged, pressure cleaned and locked or screened as individually detailed.



1. Crude oil tanks (TK 202, TK 203 and TK 204) which were used to collect residual oil generated from the platform annular gas pressure management system have been emptied, pressure cleaned and flushed. The Vapor Recovery System (VRU) has been disconnected and the tanks left open and screened to prevent wildlife entry.

Interior TK 20s After cleaning:



Interior of TK 203 After cleaning:



Interior of TK 204 After cleaning:



2. Wastewater tank (TK201) was emptied, pressure cleaned, flushed and drained of any residual oil. The VRU was disconnected. However, the tank is currently still in use for storm water collection and disposal only.

Interior of TK201 after cleaning:



3. Hydrocarbon Sump (S-202) was emptied, cleaned and drained.

4. Hydrogen Sulfide Stripper (V201) has been idled flushed and drained.



5. Hydrogen Sulfide Stripper (V202) has been flushed, drained, depressurized, blinded and locked out.



6. Heater Treater / separator HT-201 has been flushed and purged.

7. Heater treater / separator HT-203 has been bypassed, emptied and flushed.



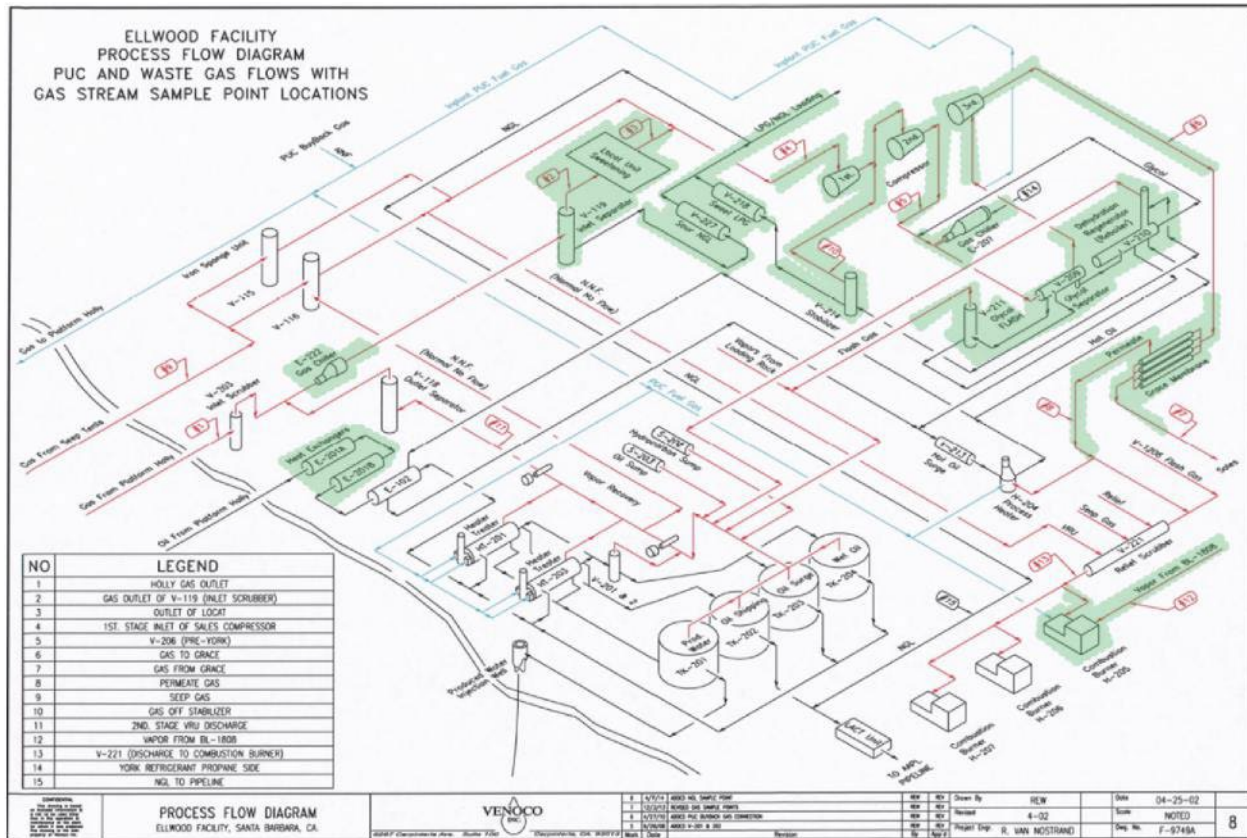
8. Iron Sponge units (V114, V115 and V116) was emptied, cleaned, screened and left open.
9. Drip pot scrubber (V239) has been flushed.
10. Relief flare scrubber (V221) has been shut down and purged. Vapor Recovery Units (VRU1 & VRU3) have been purged and shut in.
11. Vapor Recovery Units (VRU2 & VRU4) have been purged and shut in.
12. Flare Burners (H-206 & H-207) have been purged and shut in.
13. Oil Sump S-203 has been isolated, flushed and left open.
14. Firewater tank TK-206 is currently still in service and due for inspection in June 2024.
15. Miscellaneous piping between equipment utilized during the SLC occupation has been flushed with seawater.
16. Disposal well WD-1 has been idled, disconnected from the injection pumps and left with a functioning pressure gauge currently reading zero psi.
17. The Septic tank for the sanitary system has been emptied.
18. The Underground diesel tank has been emptied and locked.

19. The 6" oil pipeline from Platform Holly has been flushed clean of hydrocarbons, purged filled with air, blinded and air gapped at the platform and EOF.
20. The 6" gas pipeline from Platform Holly has been flushed clean, purged with air and blinded / air gapped both the platform and EOF.
21. The 4" utility gas pipeline used to supply feed gas to EOF is still in use until platform conductor removal is complete.
22. The Office and Operators buildings have been cleared of SLC installed equipment and secured leaving the abandoned Venoco property in place.
23. Identified hazardous substances existing prior to or introduced during SLC's occupation have been removed and disposed of appropriately:
  - Bulk chemicals in totes/drums (motor oil, diesel fuel, xylene, lube oil, waste oil, bactericide, cleaner).
  - Lab chemicals in aerosol or 1-5 gallon containers (encapsulating compound, assorted small chemical containers, aerosols, lube oil).
  - Used Iron sponge wood chips.
24. Fire alarm and fire suppression system is still in service.

#### **Equipment safely idled by SLC in 2020**

These items were either offline and shut in by Venoco at the time of SLC's occupation or were not required to process the platform annular gas and residual oil during plugging and abandonment operations. These items (highlighted in green) were de-energized, drained, flushed and purged where possible / appropriate to place them in a safe idle condition.





1. Firewater tank (TK-205)
2. LoCAT H2S treatment system
3. Gas Compression system (York refrigeration Skid, K-205 and K-206)
4. Gas Dehydration system (V209, V210, V211, E-206, E-225)
5. V-214 LPG processing
6. E-211 LPG processing
7. Acid gas treatment filters (Grace membranes) (F-211 & F-210)
8. LPG storage tanks (V-219 & V-228)
9. Gas Chiller (E-222)
10. Heat exchanger (E-102)
11. Flare burner (H-205)
12. Glycol storage tank (V-212).

**Equipment that was in the offline, idle or out of service condition as left by Venoco in 2017, at the time of SLC occupation, and remains the same to date.**

1. LPG storage tanks (V219 and V-228).
2. VRU 1 & 3
3. Heater treater (HT-202)



4. Heat Exchangers (E-201A, E-201B, E-201C, E-201D)
5. Seep tent gas line receiver:

The seep tent line will be disconnected at the seep tents in June and left with a pressure gauge displaying the current pressure.

**Potentially hazardous substances/conditions which existed in the EOF process, utility or firefighting equipment at the time of SLC occupation and still exist in idled equipment in various locations around the plant**

- Ethelene Glycol contained in the gas dehydration system and piping.
- LoCat treatment solution and elemental sulfur sludge in the LoCat H<sub>2</sub>S removal system and LoCat system pits.
- Residual crude oil or process chemicals in process piping or equipment which is not specifically marked as flushed and clean of hydrocarbon or chemicals.
- Fire foam in the active fire suppression system.
- Transformer oil within electrical transformers.
- Miscellaneous oilfield debris on site at the time of occupation.

*Active Monitoring Needs*

- Need to manage storm water collecting in sumps to prevent overflow into adjacent Bell Creek.
- Need to maintain firewater tanks for facility fire suppression.

### **Miscellaneous accounts**

These items have been managed by SLC since 2017 but responsibility will revert to the Trustee, as owner. The relevant agency or utility provider will be notified of SLC's departure and responsibility for keeping these accounts current will lay with the Trustee. The relevant accounts are:

1. Monthly fees for the on-site Southern California Edison ("SCE") electricity substation, once power is no longer needed to Platform Holly.
2. Utility accounts for SCE, SoCal gas and Goleta Water.
3. Property taxes for the EOF paid to the County of Santa Barbara.

### **Ongoing permits**

The Trustee, as the owner of the EOF, was made aware of the SLC's intent to cease its occupation of the EOF, as well as issuing agencies for the following permits.

1. Santa Barbara County Air Pollution Control District (SBCAPCD): The EOF permit to operate governs air emissions at the EOF.
2. Safety Inspection Maintenance and Quality Assurance Program (SIMQAP): SIMQAP is part of the 1999 APCD Abatement Order requirements which were rolled into the EOF land use permit approval.
3. City of Goleta Land Use Permit:  
The legal non-conforming use permit to operate the EOF.
4. Santa Barbara County Certified Unified Program Agencies (CUPA) hazardous materials permit and diesel underground storage tank (UST) permit:  
The permit to operate a diesel UST, involving inspection and certification requirements.
5. Storm Water Pollution Prevention Plan (SWPPP):  
The SWPPP registered in the State Water Board SMARTs (online registration and tracking system) for EOF has been carried forward due to electrical transformers and misc. hazardous materials storage until all industrial pollution potential has been removed.
6. Dept of Transport (DOT) and Pipeline Hazardous Materials Safety Administration (PHMSA).
7. Hazardous Waste Generator ID for EOF.