

## 1. INTRODUCTION

ExxonMobil Production Company, division of Exxon Mobil Corporation (ExxonMobil or “Applicant”) requests approval of a Development Permit for SYU - Interim Trucking from the Santa Ynez Unit (SYU) facility located in Las Flores Canyon (LFC) approximately twelve (12) miles west of Goleta. An area Overview map is provided in Attachment B.1.

Platform Hondo started production in 1981. Platforms Harmony and Heritage started production in 1993 along with the onshore facilities at Las Flores Canyon and the interconnecting pipelines and power cables. Since 1993 the Plains pipelines Line 901 and 903 have been the only means of transporting crude to markets. As part of the startup of these new facilities, the OS&T vessel was decommissioned and removed.

ExxonMobil continues to maintain the SYU leases with the federal government. These leases have significant remaining reserves and will provide oil and gas, jobs, and tax revenue to the region.

As a result of the Plains 901 pipeline incident in May 2015, the pipeline was shutdown. This eliminated the only transportation option SYU has to transport processed crude to markets. SYU temporarily suspended operations and underwent preservation of facilities to maintain integrity of the facilities in a safe and environmentally responsible manner in preparation for future restart. In August 2017, Plains submitted an application to Santa Barbara County to replace the 901 and 903 pipelines.

Some key points ExxonMobil would like to highlight on the proposed permit application include the following:

- While a pipeline is the preferred long-term option to transport crude, ExxonMobil is pursuing a temporary alternative in accordance with SBC ordinances (County’s Land Use and Development Code Chapter 35, County’s Coastal Zoning Ordinance, Section 35-154, and County’s Inland Zoning Ordinance, Section 35-296.5). To facilitate this, ExxonMobil is seeking a permit that would end when the transport pipeline becomes available.
- ExxonMobil has evaluated various options for a phased restart of SYU production and determined that transport trucking of crude to markets in the interim period restores local jobs and support services, and restores tax revenue to the Santa Barbara County economy.
- During normal operations, SYU was a major source of federal royalties for Pacific OCS, and was one of the largest single taxpayers in Santa Barbara County. During the 10 years prior to the shut-in, ExxonMobil paid more than \$45 million in taxes to the County. The Santa Ynez Valley school district, local emergency services, infrastructure, and other public services benefit from oil and gas tax revenues.
- SYU has completed a successful and thorough preservation program. Facilities are in a safe state with ongoing maintenance and surveillance. A phased restart will allow the production equipment to be kept in working condition which is best for its long-term operability. In addition, a phased restart will result in less downtime and facilitate the restoration to normal operating conditions once a pipeline is available.

- We can safely restart SYU production and bring back local jobs, enhance positive economic impacts and maintain a strong safety, environmental, and operating performance.

During the SYU preservation process, the agencies with jurisdiction (SBC P&D, SBC APCD and BSEE) supported this process by approving deferrals, departures, and variances. We appreciate the diligence of all agencies and regulators involved, and we continue to work closely with the County to meet the highest standards for safety and environmental protection.

Preservation of such a complex facility is unprecedented, including hundreds of pressure vessels, hundreds of pieces of machinery, and tens of thousands of pieces of instrumentation. Preservation included activities such as draining, flushing, and purging equipment, preserving the hydrocarbon pipelines, and safely completing de-inventory of ~400,000 barrels in the crude storage tanks via ~2500 trucks in 2016.

During the current preserved phase, ExxonMobil continues to conduct a significant number of operational activities to maintain the integrity of the facilities. These activities include ongoing inspection & surveillance of equipment/facilities onshore and offshore, continued preventative maintenance to preserve the integrity of equipment including repairs, operation of required safety and utility systems, rotating motors, internal in-depth inspections, and maintenance of lube oil systems, nitrogen purging and surveillance of vessels and equipment to keep moisture out of the system, and inspections of subsea structures and pipelines.

The proposed SYU interim trucking period would consist of the following:

- Initiate a phased restart of SYU production through use of interim trucking to transport SYU processed crude oil (product) from LFC to locations with existing unloading facilities until a pipeline transport option is available. Interim trucking will utilize facilities that proved effective during normal operations as well as the de-inventory of the crude storage tanks in 2016.
- Contract with carriers that agree to meet or exceed all regulatory requirements and safety standards. Trucks will have 2017 or newer engines, and will incorporate safety controls and complete inspections and oversight prior to leaving LFC.
- Truck routes to the unloading facilities are planned with safety in mind. Trucks will be routed northbound from LFC and utilize Hwy 101 and Hwy 166. Trucks will be required to follow a transportation safety plan.
- Enable limited SYU production volume by a maximum of loading 70 trucks per day; representing a minor increase in total County daily highway truck traffic. Trucks will travel from LFC to one or both of two designated offsite locations: P66 Santa Maria Terminal (in Santa Barbara County) and Plains Pentland Terminal (in Kern County). These designated facilities are currently permitted to handle this type of crude transport truck unloading and have the equipment and capacity to accommodate the expected number of trucks for the LFC interim trucking.
- Preliminary public risk analysis of trucking is calculated to be below SBC thresholds and considered less than significant (Class III).

- Facility modifications will be installed within LFC to include extension of existing piping to allow loading of up to four trucks simultaneously at an existing previously disturbed pad at LFC just north of the Transportation Terminal (TT) [area designated as “Truck Loading Area”]; in addition, piping will be installed to transport the truck vapors back into the LFC vapor recovery system for processing and use as plant fuel. No additional processing facilities will be required at LFC. Four Lease Automatic Custody Transfer (LACT) Units will be installed at the location for royalty determination purposes as required by Bureau of Safety and Environmental Enforcement (BSEE).

In accordance with Santa Barbara regulations, ExxonMobil is requesting the approval of a permit as detailed in the attached application and supporting documents. All known environmental impacts related to transport and air emissions will be mitigated to the maximum extent feasible throughout this period of interim trucking. The use of interim trucking is requested only until a pipeline becomes available. Once a pipeline alternative is available for crude transportation to markets, the interim trucking would cease, and the installed piping and components at LFC would be taken out of service and isolated from the crude and vapor transport lines.

## **2. LOCATION**

The SYU LFC Interim Trucking would occur on the ExxonMobil property located within LFC, which is approximately twelve (12) miles west of the City of Goleta and one (1) mile north of Highway 101. The LFC facility is located on APN 081-220-014, an approximately 550-acre parcel, commonly identified as 12000 Calle Real. The proposed truck loading components will be installed within existing developed portions of LFC at the Truck Loading Area and the Transportation Terminal. No new habitat or vegetation disturbance will be required, the area is previously disturbed ground with at least four feet of compacted fill in place. Reference Exhibit 1 for a diagram of the loading area and the proposed modifications.

## **3. ACCESS, TRAFFIC, AND PARKING**

Regional access to LFC is provided by El Capitan State Beach Road and Refugio Road which both have direct connections to Highway 101. Local access to LFC is provided by an existing frontage road (Calle Real) which runs parallel to Highway 101 and extends between El Capitan State Beach Road and Refugio Road. Access to the Truck Loading Area is provided by existing interior facility roads. No new public or private roads are required. The interior road behind the crude oil storage tanks leading to the Truck Loading Area may be improved or repaved prior to the start of trucking.

Truck destinations will include the existing truck unloading facilities provided in Table 1. These facilities contain existing permitted unloading and custody transfer facilities. These facilities normally handle this type of truck unloading and have the facilities and capacity to accommodate the expected number of trucks from the LFC interim trucking. Attachment B.6 provides information on each facility.

**Table 1 – Truck Unloading Destinations**

Destination Facility	Facility Address	Affected Roadways
Phillips 66 Santa Maria Pump Station (operated by Phillips 66 Pipeline Company)	1580 East Battles Road, Santa Maria, CA 93454	<ul style="list-style-type: none"> <li>- LFC facility interior road</li> <li>- Corral Canyon Road</li> <li>- Calle Real Road</li> <li>- Refugio Road</li> <li>- Highway 101</li> <li>- E. Betteravia Road (in Santa Maria)</li> <li>- Rosemary Rd. (in Santa Maria)</li> <li>- E. Battles Rd. (in Santa Maria) (private road where used by the project traffic)</li> </ul>
Plains All American Pentland Pump Station (operated by Plains All American Pipeline L.P.)	2311 Basic School Road, Maricopa, CA 93252	<ul style="list-style-type: none"> <li>- LFC facility interior road</li> <li>- Corral Canyon Road</li> <li>- Calle Real Road</li> <li>- Refugio Road</li> <li>- Highway 101</li> <li>- Highway 166 (from Santa Maria to Maricopa area)</li> <li>- Basic School Road (in Maricopa)</li> </ul>

No new parking is required within LFC as part of this operation. Approximately one-hundred and fifty (150) existing parking spaces are located at LFC for employees and visitors. Trucks will be loaded with product and will immediately leave the site for transport to offsite locations. Any staging of trucks will occur at the Truck Loading Area or other interior locations.

**4. BACKGROUND AND HISTORIC OPERATIONS**

The Truck Loading Area is located within the currently developed LFC and Pacific Offshore Pipeline Company (POPCO) onshore facilities. SYU includes three offshore platforms that ship emulsion, via pipeline, to the onshore facilities. LFC separates oil and produced water. POPCO and LFC separate and treat natural gas. Under typical operating conditions, product is shipped to offsite locations via the Plains All American Pipeline (PAAPL) Line 901/903 and produced water is treated and then transported offshore for permitted release. Natural gas is either used onsite (cogeneration facility) or sold to SoCal Gas. The first platform (Hondo) was placed in operation in 1981 and the expanded SYU onshore and offshore facilities have been in operation since 1993.

SYU is currently in preservation mode. As part of the interim trucking, SYU will begin production from the platforms and processing at the onshore facilities.

**5. PROPOSED FACILITIES**

The proposed onsite facilities include the installation of up to four LACT Units, associated piping, electrical and communication connections, pipe and equipment supports, operator shelter, paving of

selected areas, and containment and drainage grading. The systems will be designed to allow for the loading of up to four trucks at a time. (Reference Exhibit 1)

Processed crude oil (product) will be transported in a pipe from the TT to the Truck Loading Area. The pipe will be supported by pipe supports and routed through the existing containment area for the crude storage tanks. The tie-in point for the product pipe to the loading stations will be at the inlet to Crude Storage Tank B (Reference Exhibit 1).

A rack will be built that the trucks will pull underneath to load. Lighting will be attached to this rack and power will be provided from the LFC system. A small operator shelter, similar to what was used for the de-inventory trucking activity, will be installed at the site.

Vapors displaced during truck loading operations will be contained and transported in a pipe to a tie-in point at the existing TT Vapor Recovery Compressors. The pipe will be supported by pipe supports and routed through the existing containment area for the crude storage tanks. Should it have a mitigating impact (e.g., increase efficiency) on vapor recovery efficiency, pressure controllers would be installed to maintain a 1-3" water column vacuum on the trucks during loading. From the TT area, the vapors will be routed to the OTP vapor recovery compressors, processed, and utilized as fuel gas within the facility.

Note that during the truck loading operation a number of other features to reduce or eliminate the release of hydrocarbons to the environment and improve safety will be in place as summarized below:

- Conduct annual inspection of truck transport trailers to verify all ports are sealing properly; Repair any leaking ports prior to use
- Inspect truck transport trailers and connections prior to and after each loading to verify proper operation
- Interconnecting piping to be welded and utilize low leak valves wherever practical

ExxonMobil considers these steps to meet the CEQA BACT requirements and result in lowered emissions during loading operations.

As required by the BSEE, the LACT units will be utilized for royalty determination purposes. In addition, the LACT units will be configured with the capability to divert off spec product prior to it entering the trucks. The off spec product will be routed in a pipe back to the inlet of Crude Storage Tank A. As required by SBC regulations, the LACT unit will incorporate a grounding/overflow protection system that will stop the loading process in the case of an interrupted ground or determination of high level.

The area of the Truck Loading Area is ~2.91 acres (126,588 square feet); the loading racks will be located within a consolidated 0.12 acres (~5,400 square feet) portion of that area.

As a result of the LFC interim trucking, no new habitat or vegetation removal is proposed and no significant grading or topographic alternation will be needed. Site grading will consist of only the minimum amount of soil work needed to construct pipe supports and possibly containment additions, if needed. Reference Exhibit 2 for a schematic diagram of the truck loading facilities at the Truck Loading Area.

For sales and royalty purposes, the trucks will have custody transfer occur either at the unloading facility using the facility's existing measurement systems or at LFC using the installed LACT units.

Once a pipeline alternative is available for crude transportation to markets, the interim trucking would cease and the installed piping and components at LFC would be taken out of service, and isolated from the crude and vapor transport lines.

## **6. PROPOSED TRUCK TRANSPORTATION**

The interim trucking includes the transportation of product via trucks to one of the two designated facilities (Reference Table 1). Each truck can transport approximately 160 barrels of product. The maximum number of loaded trucks leaving LFC per day will be limited to no more than seventy (70). Truck loading and transportation would occur seven days a week and 24-hours per day, as defined in the CO-TRMPP (Reference Attachment C.4). After unloading at one of the two designated facilities, the trucks may return directly back to LFC to reload or may be reassigned to other operations. Reference Exhibit 3 for a picture of LFC showing the truck routing to and from the loading area. Note that the specific route the trucks will take to and from the Truck Loading Area will be determined in consultation with the selected trucking company

## **7. OTHER PERMITS AND APPROVALS**

ExxonMobil will obtain the required permits and approvals from other agencies with jurisdiction prior to initiating any loading operations at LFC. Specifically, ExxonMobil will obtain a permit from the Santa Barbara County Air Pollution Control District to address the additional emissions associated with interim trucking at LFC. The issued Authority to Construct/Permit to Operate (ATC/PTO) will account for the loading emissions and fugitive component emissions associated with the truck loading at LFC. The permit will include the emissions from a maximum of loading 70 trucks per day. Emission reduction credits will be obtained, as required, to mitigate the emission increases.

ExxonMobil will obtain approval from the Bureau of Safety and Environmental Enforcement (BSEE) for transfer of the royalty points to the unloading facilities.

ExxonMobil will also obtain approval from the SBC Department of Public Works – Transportation for a Road Encroachment Permit.

At a minimum, the following LFC plans will be updated, where required, to reflect the LFC interim trucking: Safety Inspection, Maintenance and Quality Assurance Program (SIMQAP), Oil Spill Contingency Plan (OSCP), Fire Protection Plan, and the Emergency Response Plan (ERP).

Prior to initiation of the truck loading, ExxonMobil will meet with the Systems Safety and Reliability Review Committee (SSRRC), as required, to review and discuss details of the LFC interim trucking such as Piping & Instrumentation Diagrams (P&Ds) and Management of Change (MOC) documents.

## 8. ENVIRONMENTAL PROTECTION AND PUBLIC SAFETY

ExxonMobil will take all prudent steps to mitigate potential impacts posed by the interim trucking. With respect to environmental protection and public safety, ExxonMobil proposes the following mitigation measures:

- **Env-1:** Restrict all site development and operational activity to existing disturbed areas and not remove any habitat or native vegetation without prior disclosure and consent from the County biologist;
- **Env-2:** Containment berms, if required, will be installed, around the loading area to prevent the unlikely spread of oil or fuels during loading;
- **Env-3:** Minimize air emissions to the maximum extent feasible and practical; Minimize dust generation on unpaved areas in the Truck Loading Area.

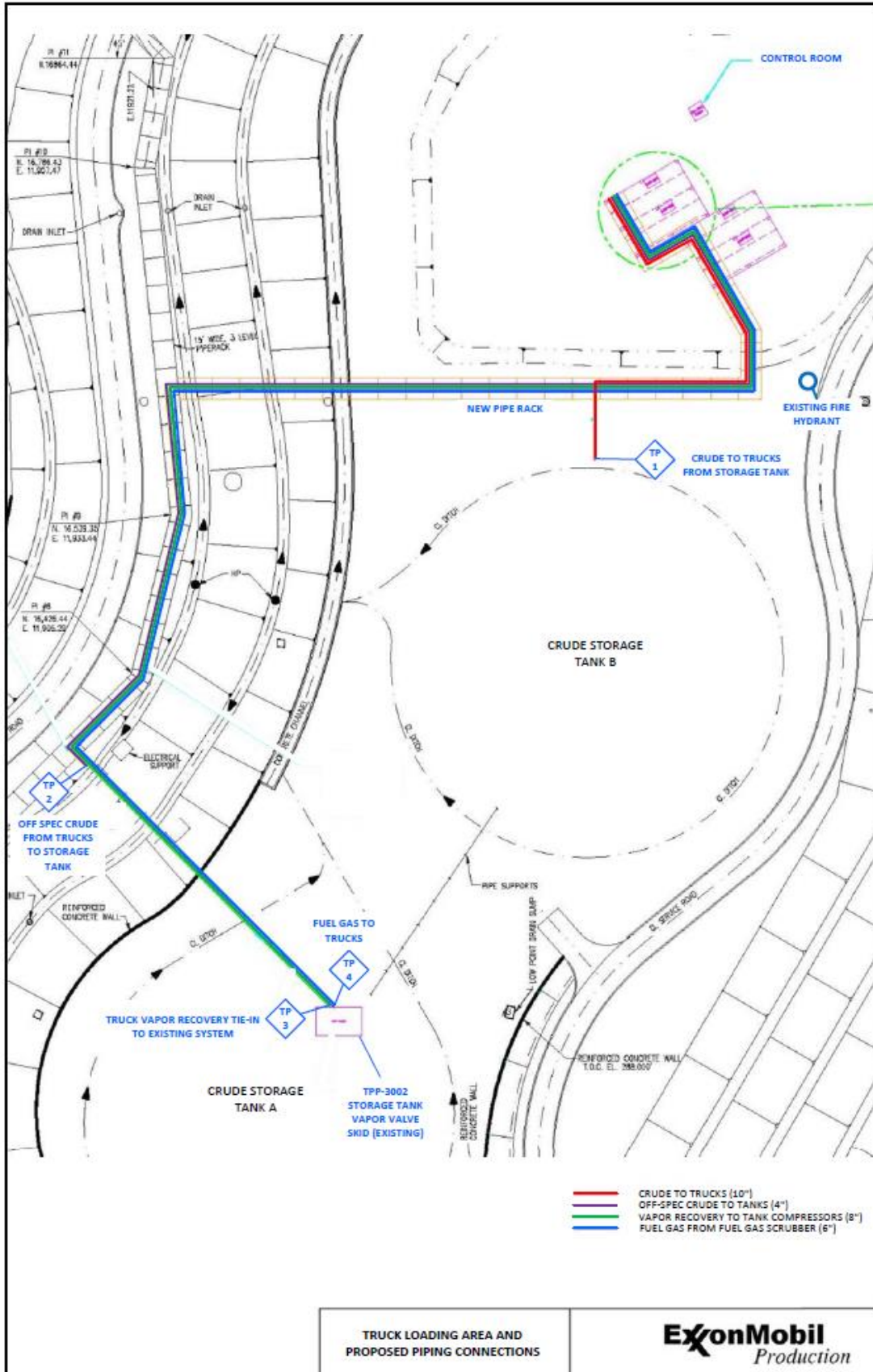
With respect to public safety, ExxonMobil will implement the following measures:

- **Safe-1:** Restrict access to the LFC facility to prevent members of the public from accessing the loading areas;
- **Safe-2:** All trucks entering and leaving the LFC facility will utilize the Refugio Road ramps at Highway 101, thus avoiding vehicle and pedestrian traffic associated with the El Capitan Campground;
- **Safe-3:** All interim trucking will be subject to the requirements of the Crude Oil Transportation Risk Management & Prevention Program- CO-TRMPP (Reference Attachment C.4).;
- **Safe-4:** Night lighting will be installed, as needed, to facilitate night-time loading activities. All such lighting will conform to the LFC's approved lighting plan. The lighting will be shielded and oriented such that light spill into adjacent areas is limited to the maximum extent feasible;
- **Safe-5:** Fire control systems and equipment required for the LFC interim trucking will be operational at all times;
- **Safe-6:** ExxonMobil operator will be present during truck loading;
- **Safe-7:** LFC site personnel will be available to assist with any unplanned issues.
- **Safe-8:** Incorporate mitigation(s) from C.5 – Traffic Study into project plan and execution.

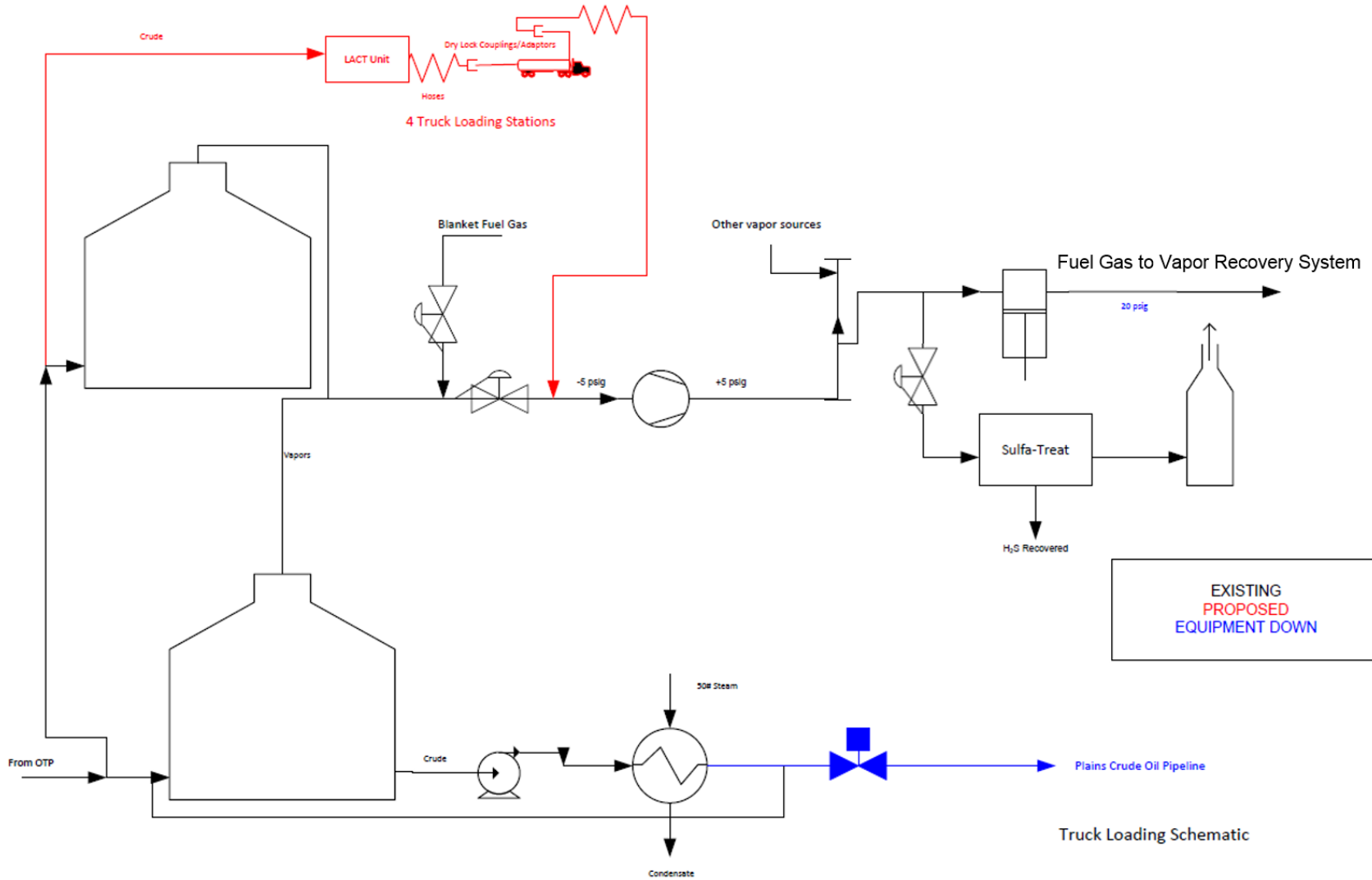
**EXHIBIT 1**

**LFC TRUCK LOADING AREA AND PROPOSED PIPING CONNECTIONS**





**EXHIBIT 2**  
**LFC TRUCK LOADING SCHEMATIC**



Truck Loading Schematic

**EXHIBIT 3**  
**TRUCK ROUTING WITHIN LFC**



