



MEMO

TO: Senator Nancy Skinner, Chair, Senate Budget Committee
Assemblymember Phil Ting, Chair, Assembly Budget Committee

FROM: The County of Santa Barbara and the City of Carpinteria

The County of Santa Barbara (“County”) and the City of Carpinteria (“City”) are requesting a total of \$1,050,000 in one-time funding to properly decommission the County’s and City’s abandoned Venoco oil and gas pipelines.

The 2015 Plains All-American Pipeline spill resulted in the bankruptcy of Venoco, LLC and the abrupt abandonment of certain oil and gas facilities. In the absence of predecessor or successor owner/operators, the Office of the State Fire Marshall (OSFM) has turned to the County of Santa Barbara and the City of Carpinteria to bear the financial burdens of properly abandoning these facilities. While the County and City maintain that they are not legally responsible for the facilities or this abandonment work, they share the OSFM’s concerns about the orphaned facilities and their potential risks to the environment and public health and safety. The County and City hereby request your support in identifying financial assistance to local jurisdictions to assist with the final disposition of orphaned oil & gas related infrastructure in the County and City.

According to the OSFM, in order to properly abandon the line and remove the potential for spill, the pipeline must be emptied of its contents, sealed and isolated. Total cost of this work for both the County and the City amount to approximately \$1,050,000.

DAS WILLIAMS

First District

GREGG HART

Second District

JOAN HARTMANN
Third District, Vice Chair

BOB NELSON
Fourth District, Chair

STEVE LAVAGNINO
Fifth District



**BOARD OF
SUPERVISORS**

County Administration
Building
105 East Anapamu Street
Santa Barbara, CA 93101
Telephone: (805) 568-2190
www.countyofsb.org

COUNTY OF SANTA BARBARA

May 27, 2021

The Honorable Nancy Skinner
Chair, Senate Budget Committee
State Capitol, Room 5094
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

RE: County Request for Financial Assistance for Oil & Gas Pipeline Abandonment

Dear Senator Skinner and Assemblymember Ting:

The County of Santa Barbara (“County”) is requesting \$550,000 in one-time funding to properly decommission the County’s abandoned Venoco oil and gas pipelines. This request is written on behalf of the Santa Barbara County Board of Supervisors to detail our specific concerns regarding “orphaned” oil & gas related infrastructure. Highly summarized, the 2015 Plains All-American Pipeline spill resulted in the bankruptcy of Venoco, LLC and the abrupt abandonment of certain oil and gas facilities. In the absence of predecessor or successor owner/operators, the Office of the State Fire Marshall (OSFM) has turned to the County of Santa Barbara and other local public agencies to bear the financial burdens of properly abandoning these facilities. While the County maintains that it is not legally responsible for the facilities or this abandonment work, it shares the OSFM’s concerns about the orphaned facilities and their potential risks to the environment and public health and safety. We are hereby requesting your support in identifying financial assistance to local jurisdictions to assist with the final disposition of orphaned oil & gas related infrastructure. This letter focuses on one pipeline in particular, discussed further below, although the County is also concerned about other orphaned infrastructure that may presently exist or become a problem in the future.

Santa Barbara County hosts significant oil & gas related development including wells, processing facilities, storage tanks, pipelines and other related infrastructure. The local oil & gas industry’s ability to maintain critical infrastructure has been recently challenged by the economic downturn and lower-than-normal price of oil. This was recently compounded by the 2015 Plains All-American Pipeline spill, which caused several producers to abandon their facilities and in some cases undergo bankruptcy. As a result, the County has become involved in the disposition of certain assets formerly owned by oil & gas companies.

Due to the 2015 Plains All-American Pipeline spill, Venoco, LLC was forced to shut down production at Platform Holly in State waters and eventually went through bankruptcy and corporate dissolution. As a result of this process, this nine-mile long pipeline which carried oil from Venoco’s Ellwood Onshore Facility to Las Flores Canyon, where it connected to the Plains pipeline, was left in place. The pipeline

(also referred to as Venoco's Line 96 pipeline or by the Office of the State Fire Marshall as Line 01306) is currently full of oily water and a chemical mixture and without active ownership to oversee its integrity. In the absence of an operational owner or predecessor in interest, the OSFM Pipeline Safety Division has identified Santa Barbara County as the de facto "owner/operator" of the line and attempted to ascribe regulatory responsibility to the County.

According to the OSFM, in order to properly abandon the line and remove the potential for spill, the pipeline must be emptied of its contents, sealed and isolated. During bankruptcy proceedings, the County filed claims based on a proposal for this work in the amount of approximately \$550,000. Other local jurisdictions have similarly been identified by OSFM as the "owners" of similarly situated orphaned pipelines in the City of Carpinteria and may be held financially responsible for their eventual disposition.

The County believes, and has maintained with the OSFM, that it is not the owner or operator of the Venoco Line 96 pipeline and is not responsible for the abandonment work. However, the County understands that Venoco Line 96 and other orphaned oil pipelines and related infrastructure are a continuing matter of regulatory concern for the OSFM and, more generally, a matter of potential environmental and public health and safety concern. The County is currently considering its options to address these concerns but notes that any work that it and/or other public agencies may undertake will almost certainly exceed available funds.

For these reasons, the Santa Barbara County Board of Supervisors is requesting your support in identifying financial assistance to local jurisdictions to assist with the final disposition of orphaned oil & gas related infrastructure. If you have questions about the Board's request, please contact the County's Legislative Coordinator, Jasmine McGinty at 805-568-3108 or jmcginty@countyofsb.org. Thank you for your consideration.

Sincerely,



Cliff Berg
Governmental Advocates, Inc.

cc: The Honorable Senator Monique Limon, 19th Senate District
The Honorable Assemblymember Steve Bennett, 37th Assembly District
The Honorable Assemblymember Jordan Cunningham, 35th Assembly District
Members, County of Santa Barbara Board of Supervisors
Mona Miyasato, County Executive Officer
Nancy Anderson, Assistant County Executive Officer, County of Santa Barbara Board of Supervisors

CITY of CARPINTERIA, CALIFORNIA



May 27, 2021

The Honorable Nancy Skinner
Chair, Senate Budget Committee
State Capitol, Room 5094
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

RE: City of Carpinteria Request for Financial Assistance for Oil & Gas Pipeline
Abandonment

Dear Senator Skinner and Assembly Member Ting:

The City of Carpinteria ("City") is requesting \$500,000 in one-time funding to address proper decommissioning of "orphaned" oil & gas pipelines and other related infrastructure within the City's jurisdiction. Due to the 2015 Plains All-American Pipeline spill, Venoco, LLC ("Venoco") was forced to shut down production at Platforms Gail and Grace in federal waters, as well as the Carpinteria Processing Facility, and eventually went through bankruptcy and corporate dissolution. As a result of this process, a 3.5 mile stretch of Pipeline 0470 which carried oil from Venoco's Carpinteria Processing Facility to the Rincon Onshore Separation Facility in Ventura County was flushed with a water and chemical mixture and left in place without active ownership to oversee its integrity. A portion of this orphaned pipeline is within the City's boundary.

In the absence of an operational owner or predecessor in interest, the State Fire Marshall ("OSFM") Pipeline Safety Division has turned to the City to bear the financial burden-and liability-of properly abandoning this pipeline. Although the City has maintained with the OSFM that it is not the owner or operator of any oil and gas pipelines that run through its jurisdiction, and is not legally or financially responsible for the abandonment work, it shares the OSFM's concerns about the orphaned facilities and their potential risks to the environment and public health and safety. Other local jurisdictions have also similarly been identified by the OSFM as the "de facto" owners of similarly situated orphaned pipelines throughout Santa Barbara and Ventura County and may be held financially responsible for their eventual disposition. We are hereby requesting your support in identifying financial assistance to local jurisdictions to assist with the final disposition of orphaned oil & gas pipelines and other related infrastructure.

According to the OSFM, in order to properly abandon the line and remove the potential for spill, the pipeline must be emptied of its contents, filled with bentonite slurry or nitrogen, sealed and isolated. The total cost of conducting this work is estimated to be about \$500,000. The City is currently considering its options to address these concerns but notes that any work that it and/or other public agencies may undertake will almost certainly exceed available funds.

For these reasons, the City is requesting your support in identifying financial assistance to local jurisdictions to assist with the final disposition of orphaned oil & gas pipelines and other related infrastructure. If you have questions about the City's request, please contact me at 805-755-4400 or daved@ci.carpinteria.ca.us. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Durlinger', written in a cursive style.

Dave Durlinger
City Manager

cc: Honorable Mayor and City Councilmembers
City Clerk and Department Heads
Legal Counsel