

POINT ARGUELLO UNIT WELL CONDUCTORS REMOVAL ENVIRONMENTAL ASSESSMENT (EA)

**FREEMPORT-MCMORAN OIL AND GAS, LLC
Point Arguello Unit
Offshore Santa Barbara County, California**

FINDING OF NO SIGNIFICANT IMPACT

U.S. Department of Interior
Bureau of Safety and Environmental Enforcement

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Summary

In accordance with the National Environmental Policy Act (NEPA), 42 USC 4261, et seq., the Council on Environmental Quality regulations at 40 CFR 1501, et seq., Department of the Interior (DOI) regulations implementing NEPA at 43 CFR Part 46, Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) policy, BOEM and BSEE prepared an Environmental Assessment (EA) on Freeport-McMoRan Oil and Gas LLC (Freeport) proposal to remove 62 well conductors at the three Point Arguello oil and gas platforms. The Point Arguello Unit (Leases OCS-P 0315, OCS-P 0316, OCS-P 0450 and OCS-P 0451), is located in federal waters in the Santa Barbara Channel, Offshore Santa Barbara County, California in the Southern California Planning area.

BOEM and BSEE prepared the EA to determine whether the Proposed Action may result in significant effects (40 CFR 1508.27) triggering additional mitigation to reduce such effects or the need to prepare an environmental impact statement. The EA analyzes the potential for significant adverse effects from the Proposed Action on the human environment, which is interpreted comprehensively to include the natural and physical environment and the relationship of people with that environment (40 CFR 1508.13 and 1508.14). The EA was also prepared to assist with BOEM and BSEE planning and decision-making (40 CFR 1501.3b), namely, to help inform a determination as to whether the Proposed Action would cause undue or serious harm or damage to the human, marine, or coastal environment.

Based on the analysis in the EA, the BSEE and BOEM have determined that the Proposed Action is not a major federal action significantly affecting the quality of the human environment within the meaning of NEPA. Therefore, the preparation of an Environmental Impact Statement is not required and BSEE is issuing this Finding of No Significant Impact (FONSI).

Public Availability

The Final EA and FONSI will be posted to the project website at:

<https://www.boem.gov/environment/environmental-assessment/pacific-ocs-region-nepa-activities>

Background

BSEE Pacific Office received project technical and environmental information from Freeport in support of Applications for Permit to Modify (APMs) (30 CFR Part 250.1723) to initiate the removal of well conductors from the three Point Arguello platforms, Hermosa, Harvest and Hidalgo. The Point Arguello facilities are located on the outer continental shelf (OCS) of the Santa Barbara Channel in the Southern California Planning area.

The Draft EA was released for 15 days of public review and comment. The public was notified of the opportunity to provide comments on January 31, 2020. Two entities submitted comments (Freeport and Santa Barbara Air Pollution Control District) which resulted in modifications or clarifications to the text of the EA.

BSEE, based on the review and findings incorporated within this EA, shall issue a FONSI and subsequent approval for the APMs to commence the removal of the well conductors at the Arguello facilities. The EA includes an environmental and socio-economic analysis of the potential impacts from the proposed action on marine and coastal resources, and includes a no action alternative to the proposal.

Description of the Proposed Action

Freeport is proposing to remove 62 well conductors on the Point Arguello facilities: Hidalgo (14), Harvest (19) and Hermosa (29). Removal would occur in two phases: 1. Initial Conductor Casing Cutting/Proving, and 2. Conductor Casing Extraction. Phase 1 will utilize high-pressure abrasive cutting methods for the initial cuts. This involves the pumping of abrasive fluids that contain a mixture of seawater and abrasive materials to cut through the conductor piping and other casing strings that are present. Per BSEE requirements, initial cuts will be made approximately 15 feet (ft) below the mudline. Phase 2 includes the pulling of the severed conductor casings and further cutting of segments to allow loading and transportation to shore on regularly scheduled vessels that will transport the cut pipe segments for loading onto trucks and transport to an onshore scrap recycling facility.

The conductor removal activities are expected to commence during the first quarter of 2021 with the total duration expected for Phase 1 is 78 days and Phase 2 is expected to require 130 days with some phase overlapping for a total project duration of 167 days. The remainder of the platforms structure, including jacket and decks, will remain in place until this conductor removal project is complete and BSEE approves a forthcoming decommissioning platform removal application. A more complete description of these activities is included in the EA and its appendices.

Analysis of Significance of Potential Impacts

The EA describes the affected environment within the vicinity of the project area and the potential environmental impacts of the proposed action and alternatives. The direct, indirect and cumulative impacts were all considered with regard to each environmental resource within the context of anticipated well conductor removal activities in a reasonably foreseeable time horizon of calendar year 2021. Actions outside the scope of the activities analyzed in this EA and therefore not presently evaluated, such as future decommissioning platform removals, will be environmentally reviewed as required under NEPA when a platform removal decommissioning application is submitted to BSEE.

The following discussion provides a summary of the potential impacts of the proposed action and alternatives and the reasons why these impacts would not be significant. A more complete analysis regarding impacts is contained in the EA.

Accidental Oil Spills

Well conductor removal activities will not begin until after all wells on a platform have been temporarily abandoned, per BSEE regulations, including an assessment of the wellhead and well bore to ensure there is no pressure in the well and all process tanks and vessels will be flushed and purged. Therefore, it is not possible for an oil spill to occur from any of the three Point Arguello platforms as a result of this project. If an oil spill to the ocean occurs from the vessel, Freeport will respond and assist the vessel in accordance with its agency-approved Oil Spill Response Plan for Pacific OCS Operations. Due to the short project timeframe, the lack of a source for a large oil spill, and the capability of a response to a spill of any size by Freeport's OSRP, no impacts from oil spills are expected and oil spills are not further analyzed in this document.

Physical Resources

Air quality: Freeport provided equipment and emission estimates for the proposed well conductor removal activities and verified that the activities and emission increases are fully permitted and in compliance with the SBCAPCD Arguello Unit Permit to Operate (PTO). Thus, all equipment located on the platforms utilized for the project will be operating under an existing SBCAPCD permit. The project will use existing permitted turbines to provide power for equipment used for the abrasive cutting and sectioning phases. These turbines use NOx water injection to reduce NOx emissions and have been permitted and operated with this control technology since their original installation. The primary emissions associated with the proposed project result from the use of the vessel supplying the well conductor removal activities and transport of the sectioned conductors to the Port of Long Beach. The Harvey Challenger is the only vessel planned for use for this project. This vessel currently supports normal platform operations and is permitted for use by the SBCAPCD. A separate crew boat is not planned for use during these activities. The operation of the Harvey Challenger offshore Santa Barbara County is required to comply with the reduced cruising speed limit and other processes specified in Freeport's approved Boat Monitoring and Reporting Plan. Freeport has provided a commitment as part of their submittal to extend the vessel emission protection measures contained within their SBCAPCD permit and Boat Monitoring and Reporting Plan while transiting waters offshore of Ventura and Los Angeles counties while in route to the Port of Long

Beach and back to the platforms. Thus, air emissions associated with vessel use during all associated project activities will be controlled the same as those permitted vessels currently in compliance with SBCAPCD regulatory requirements.

The potential impacts to air quality resulting from the proposed conductor removal activities are considered to be insignificant and in compliance with SBCAPCD Rules and Regulations to the maximum extent feasible.

Water quality: Discharges of the abrasive fluids are expected to occur over an estimated 39-day period to remove all 62 conductors from the three Arguello facilities. The produced water discharges from cutting and removing the conductors over the entire project period are substantially less than the daily discharges expected in prior analyses and are well within what was analyzed in the 1984 EIS. Marine growth attached to the conductors will be removed and fall to the seafloor. This will create turbidity in the water column from the biomass traveling to the seafloor and from the benthic sediments being disturbed by the deposition. Workover fluid from the project will be discharged in accordance with the National Pollutant Discharge Elimination System (NPDES) General Permit for Offshore Oil and Gas Exploration, Development, and Production Operations for Southern California (Permit No. CAG280000), that was granted continued permit coverage via EPA letter dated March 4, 2019. These activities would cause a small increase in turbidity and impacts to water quality would be short-term and localized. Water quality will return to natural conditions after project completion. Overall, the potential impacts to water quality resulting from the proposed project are considered to be insignificant and mitigated to the maximum extent feasible.

Biological Resources

Benthic Resources: The project design eliminates anchoring activities that will ensure that seafloor disturbance is minimized, and hard bottom areas will be avoided. Due to the intermittent and local benthic disturbances from the accumulation on the seafloor of shell debris, discharges, garnet abrasive grains and grout, temporary sediment suspension would be expected that would rapidly settle out of the water column and within the general area of its origin. The proposed project would have negligible loss of soft bottom habitat and changes to soft bottom species abundance and composition and will not have significant impacts on the benthic environment. Impacts from the proposed project are expected to be undetectable, temporary in duration, and immediately near the platforms, particularly as the total quantities to be discharged are substantially smaller than the historic discharge amounts. Thus, the potential impacts to benthic resources resulting from this project are considered to be insignificant.

Fishes and Essential Fish Habitat (EFH): The proposed project activities may cause bottom disturbance and increased turbidity which could result in potential impacts to fish and EFH. The proposed activities from the project are predicted to generate only minimal and short-term impacts to benthic habitats and cause a negligible increase in suspended materials over a short time frame. The addition of marine growth removed from conductor pipes (which constitute about one fifth or less of each existing platform's submerged infrastructure) to existing shell mound habitat is estimated to be less than what is deposited during these regular cleaning events and is not anticipated to enlarge the existing shell mound footprint. Likewise, any minor changes to water quality will be less than what occurred in past cleaning activities with the exception of local turbidity levels, which may be slightly higher when the conductor pipes are removed from

the seabed due to the small amounts of mud that may cling to the pipes and be resuspended into the water column. The increase in turbidity levels (if any) will be minimal and of short duration. The proposed project does not include any anchoring activities. The National Marine Fisheries Service was consulted informally and concurred that the proposed project will have no effect on EFH. Therefore, the activities associated with the proposed project are expected to be either undetectable or temporary in duration and within the local vicinity of the platforms and will not have significant impacts to fishes or EFH.

Marine and Coastal Birds: Artificial lighting associated with night operations could attract marine birds to the project area, several of which may have special-status designations. Effects to birds will be minimized by implementing the lighting mitigation measures identified in the EA. While the potential for marine birds to be attracted to the area is unpredictable and highly influenced by weather, time of year, and species-specific factors, the implementation of mitigation measures identified in this EA to reduce the effects of artificial lighting on coastal and marine birds is expected to result in these effects being insignificant.

Marine mammals and Sea Turtles: The potential impacts to marine mammals from the proposed well conductor removal activities occur from noise and the risk of vessel strikes. Considering the intermittent nature of the well conductor cutting events at the various platforms, as well as the overall reduced spatial and temporal overlap with marine mammals and sea turtle during these activities, BOEM has determined that noise associated with the proposed action will have negligible effects on marine mammal and sea turtle species. The National Marine Fisheries Service (NMFS) was consulted informally and concurred with BOEM that the ESA-protected marine mammals and sea turtle species are not likely to be adversely affected. Based on the analysis of the impact producing factors of project and vessel noise and traffic associated with the proposed action, including day-time visual observation measures during conductor cutting activities proposed by NMFS and other environmental protection measures provided by Freeport, the proposed activities are anticipated to have a negligible impact on marine mammal and sea turtles that occur in the action area, the proposed project would not result in increased risks and the proposed action will not have significant impacts on marine mammals.

Socioeconomic Considerations

Commercial Fishing: The effects of the proposed well conductor removal activities at the Point Arguello Unit on major commercial fisheries are considered insignificant and would have minimal adverse effects on commercial fishing operations in the local or regional area and are not expected to result in space use conflicts or lost fishing time or gear with the mitigations and notifications identified in the EA. Freeport's commitment to notify the U.S. Coast Guard and the Joint Oil/Fisheries Liaison Office prior to initiating activities will minimize any unforeseen conflicts that could arise during project operations and will further ensure there will be no significant impacts on commercial fishing.

Environmental Justice: The potential impacts to minority and low-income populations from the proposed project are considered to be negligible in the Port of Los Angeles, Port of Long Beach, or Port Hueneme areas or surrounding communities based on the limited scope and duration of the proposed project. Therefore, no disproportionately high and adverse human health or environmental effects will occur to minority or low-income populations.

Other Resources and Considerations

A number of issues, either environmental resources or socioeconomic considerations, did not warrant thorough review because potential impacts were not discernible or so minor that there was no potential for significance. Accordingly, these were excluded from the EA, consistent with the NEPA regulations pertinent to focusing on the most substantial issues and reducing discussion of other issues, at 40 CFR 1500.4 and elsewhere. The following resources were not included for analysis in this EA because BOEM determined that they are not in the project area and/or would not be affected by the activities: Intertidal and Shallow Subtidal Resources; Wetlands, Refuges, Preserves, and Marine Sanctuaries; Cultural/Archeological Resources; Recreational Fisheries; Marine Transportation; and Recreation and Tourism.

Alternative 1: No Action Alternative

BSEE is required to evaluate the No Action Alternative per CEQ NEPA regulations (CFR. § 1502.14). The No Action Alternative serves as a baseline to compare the impacts of the Proposed Action.

Under this alternative, Freeport would not remove the well conductors and casings and not be able to conduct permanent well abandonment operations on the Point Arguello Platforms per BSEE regulatory requirements to remove the facilities at the end of their economic life. None of the impacts expected to result from the well conductor removal activities would occur. The purpose and need for the proposed action would not be achieved. Without the ability to remove the well conductors and casings on Platforms Harvest, Hidalgo and Hermosa; Freeport would not be able to fully decommission their facilities as is required under the OCS Lands Act. Thus, the removal of the well conductors and casings from the Arguello facilities is critical to the full removal of the structure from federal waters and decommissioning of the facilities at the end of their economic life. No other alternatives were considered for this EA.

Finding of No Significant Impact

Based on the evaluation of Freeport's proposal and the potential impacts discussed in the attached EA, the BOEM in coordination with BSEE has determined that concurrence with Freeport's well conductor removal project (the Proposed Action) would not constitute a major Federal action significantly affecting the quality of the human environment pursuant to the National Environmental Policy Act §102 (2)(C) and therefore no further NEPA analysis or Environmental Impact Statement is required.

Mark Fesmire
Acting Regional Director,
Pacific OCS Region
Bureau of Safety and Environmental Enforcement

July 13, 2020

Date

Attachment