



**Santa Barbara County
Air Pollution Control District**

January 17, 2013

Joan Barminski
Bureau of Ocean Energy Management
Pacific OCS Region
770 Paseo Camarillo, CM 215
Camarillo, CA 93010

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BUREAU OF OCEAN ENERGY MANAGEMENT

Re: APCD Comments on Application Completeness for Revisions to the Platform Hidalgo DPP for Development of the Western Half NW/4 of Lease OCS-P 0450

Dear Ms. Barminski:

The Air Pollution Control District (APCD) has reviewed the referenced case, which consists of developing the oil and gas reserves from the western half NW/4 of lease OCS-P 0450 from platform Hidalgo. The proposal is to drill a maximum of two new wells directionally drilled using existing well slots on platform Hidalgo. A temporary drill rig would be used for approximately 100 days to drill the wells. The drill rig and supporting equipment would be brought to the platform by boat. Production from these wells is expected to last about six years. Produced oil will be combined with oil produced from the Point Arguello Unit and Rocky Point and transported to the Gaviota Oil Heating Facility through existing pipelines. From the Gaviota Facility, the produced oil will be transported to refineries through the All American Pipeline. Produced gas will be used for platform electricity needs, sold to shore, or re-injected into the reservoir.

The proposed project includes equipment and activities at a stationary source that is under active APCD permits and is subject to APCD prohibitory rules. Therefore, APCD will need to evaluate project-related impacts in compliance with the California Environmental Quality Act (CEQA). Responses to the comments and questions below are necessary to adequately address CEQA compliance and consistency with APCD rules and permit requirements:

1. **Revisions to the Platform Hidalgo DPP - Environmental Evaluation, Section 2.4 Oil and Gas Processing, Pg. 8:** The discussion of oil processing in the last paragraph refers to oil metering and transport to the Gaviota facility. If this metering and transport has any associated fugitive emissions, they should be included in the operational emissions quantification. Information on any incremental increase of emissions from oil heating, storage tanks, or other processes at the Gaviota facility will result in additional emissions; this increase in emissions should be addressed and quantified as appropriate.
2. **Revisions to the Platform Hidalgo DPP - Environmental Evaluation, Section 2.4 Oil and Gas Processing, Pg. 9:** The discussion of the possible increase in dehydration and stabilization capacity for Platform Hidalgo refers to new equipment including a vessel and re-boiler. Please identify whether the heat source for the re-boiler will be an additional combustion unit. The application should identify all potential equipment scenarios and include any new emissions (including fugitive ROCs) from them in the quantification of operational emissions.

Louis D. Van Mullem, Jr. • Air Pollution Control Officer

- 3. Revisions to the Platform Hidalgo DPP - Environmental Evaluation, Section 2.4 Oil and Gas Processing, Pg. 10:** The first sentence on the page refers to two options for oil dehydration on the platform. The first listed option is conversion of a portion of vessel V-8. The second option is not clearly identified in this section. Please revise the text to clarify the two options.
- 4. Revisions to the Platform Hidalgo DPP - Environmental Evaluation, Gas Processing, Pg. 10:** The discussion identifies two different options for processing produced gas. Any emissions from gas processing should be included in the project quantification of operational emissions. If there are different emissions associated with these scenarios, they should both be presented.
- 5. Revisions to the Platform Hidalgo DPP - Environmental Evaluation, Air Quality Impacts, Pg. 91:** In the discussion of turbine emissions during drilling, please include more detailed information on the use of generator engines that may be needed to supplement the electricity provided by the turbines, and quantify generator emissions.
- 6. Revisions to the Platform Hidalgo DPP - Environmental Evaluation, Air Quality Impacts, Pg. 92:** In the last paragraph of this page, the text states that 20 boat trips are needed for transport of the drill rig from the port to the platform, and that 20 boat trips are needed to transport it back after drilling is complete. Note #1 of Table 4.26 on page 93 states that estimated boat emissions for drill rig transport are based on 14 trips to deliver the drill rig and 14 trips to remove it. Please revise the text and emissions calculation to resolve this conflicting information in this section and in the appendices.

Also, in the discussion of project-related increases in boat trips on this page, please indicate whether additional crew boat trips will be needed during construction or operation of the project and include the quantified emissions from any additional crew boat trips in this section.
- 7. Revisions to the Platform Hidalgo DPP - Environmental Evaluation, Air Quality Impacts, Pg. 94:** The second paragraph discusses operational emissions of the project. If processing of the oil and gas from the two new wells increases emissions at other facilities, such as the Gaviota Facility, Platform Hermosa, or Platform Harvest, these processes and related emissions should also be detailed in this section. For example, the additional load on the Harvest turbine engines (for compression and injection of produced gas from the two new wells), and associated emissions, should be quantified.
- 8. Revisions to the Platform Hidalgo DPP - Environmental Evaluation, Air Quality Impacts, Pg. 96:** The discussion at the top of the page refers to APCD preliminary thresholds for greenhouse gases (GHGs). APCD has not adopted significance thresholds for GHGs. Please remove the reference to APCD's GHG significance thresholds.
- 9. Revisions to the Platform Hidalgo DPP, Attachment D, Air Emissions and Traffic Data, Pg. D-1:** The summary table data for CO₂e depicts an approximate 10% reduction from the corresponding CO₂ values. Please explain the methodology used to calculate CO₂e and clarify the unit of measurement.

10. Revisions to the Platform Hidalgo DPP, Attachment D, Air Emissions and Traffic Data, Pg. D-7:

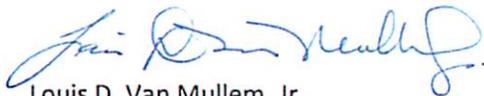
The supply boat fuel usage assumptions in the "Notes" on page D-6 include platform offloading time totaling four hours of operation of bow thrusters and two hours of generator engines. These emissions do not appear to be included in the tables on page D-7 for "Santa Barbara County Supply Boat Emissions" lbs/day and tons/years. Please explain why emissions from offloading were not included. If offloading emissions are included in the calculation, lbs/day emissions for supply boats are estimated to exceed the permitted daily maximum.

Also, regarding the "Supply Boat Emission Estimates" tables on Page D-7:

- a. Please indicate why the tons/quarter and tons/year emissions values for drill rig transport and supply boats during drilling are the same, for all pollutants, in the second table but are different, for all pollutants except CO₂, in the first and third tables.
- b. Emissions for "Ventura County Supply Boat Emissions" include negative values, please correct this.

If you or the project applicant have any questions regarding these comments, please feel free to contact Eric Gage at (805) 961-8893 or via email at edg@sbcapcd.org.

Sincerely,



Louis D. Van Mullem, Jr.
Director

cc: Project File
TEA Chron File
Mike Goldman, Manager, APCD Engineering & Compliance Division