

MINUTE ITEM

This Calendar Item No. 2
was approved as Minute Item
No. 2 by the State Lands
Commission by a vote of 2
to 0 at its 5/6/87
meeting.

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CALENDAR ITEM

02

05/06/87
WP 550 PRC 7075
Louie
Small

GENERAL LEASE - INDUSTRIAL USE

APPLICANT: Gaviota Terminal Company
c/o Texaco Trading and
Transportation
P. O. Box 5568 T. A.
Denver, Colorado 80217

AREA, TYPE LAND AND LOCATION:
A 74.309-acre parcel of tide and submerged
land, located in the Pacific Ocean at Gaviota,
Santa Barbara County.

LAND USE: Interim marine terminal for the transport of
crude oil.

TERMS OF PROPOSED LEASE:

Initial period: Four years beginning May 1,
1987.

Surety bond: \$1,000,000.

Public liability insurance: Combined single
limit coverage of \$10,000,000.

Special: Lessee may elect to be
self-insured.

CONSIDERATION: For the year beginning May 1, 1987, total
rental in the amount of \$99,958. Thereafter,
\$180,000 per annum.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2003.

CALENDAR ITEM NO. 02 (CONT'D)

APPLICANT STATUS:

Applicant is owner of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee has been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884: 05/05/87 extended to 05/06/87.

OTHER PERTINENT INFORMATION:

1. Gaviota Terminal Company has made an application to lease State tide and submerged lands for a proposed interim marine terminal facility at Gaviota, Santa Barbara County. Gaviota Terminal Company is a general partnership composed of Texaco Trading and Transportation Inc., Chevron U.S.A., Inc., Exxon Company, U.S.A., Phillips Petroleum Company, and Sun-Crude Trading and Transportation, Inc. The terminal would provide for the interim transport of Joint Arguello and central Santa Maria Basin production which has been processed at Gaviota or Lompoc. It is anticipated that operations of the Gaviota interim facility will cease upon completion of the Las Flores Consolidated Marine Terminal or when crude oil pipelines to Texas and Los Angeles are operational.

There is an existing marine terminal under Lease PRC 550. The applicant intends to extend two existing pipelines for vapor recovery in addition to the installation of a new 30-inch diameter crude oil loading line.

Exhibit "C" contains a detailed project description.

CALENDAR ITEM NO. 02 (CONT'D)

2. The proposed lease provides that the interim marine terminal, including upland storage, will be available for use by non-owners of the terminal, including State oil lessees, on a non-discriminatory basis. The lease also provides that should the interim marine terminal preclude or adversely affect oil and gas exploration and development on State land, the State may terminate the marine terminal lease if a negotiated resolution to the problem is not reached.

The applicant has agreed to participate in an environmental mitigation program by providing funds for an ocean current and weather monitoring system at a cost not to exceed \$75,000 and provided that such a program has commenced by May 1, 1989.

3. An EIR was prepared and adopted for this project by the County of Santa Barbara. The Commission was a member of a joint review panel headed by the County of Santa Barbara as the CEQA Lead Agency. The State Lands Commission staff has reviewed such document and has identified, in Exhibit "D", significant environmental effects which involve the part of the project that the Commission will be considering for approval.
4. This activity involves lands identified as possessing significant environmental values pursuant to PRC 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

United States Coast Guard (placement of mooring buoys) and County of Santa Barbara .

CALENDAR ITEM NO. 02 (CONT'D)

FURTHER APPROVALS REQUIRED:

United States Coast Guard (letter of adequacy prior to operations), California Coastal Commission, United States Army Corps of Engineers.

EXHIBITS:

- A. Land Description.
- B. Location Map.
- C. Project Description.
- D. CEQA Findings
- E. Mitigation Measures Required by the Commission.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT AN EIR WAS PREPARED AND ADOPTED FOR THIS PROJECT BY THE COUNTY OF SANTA BARBARA AS CEQA LEAD AGENCY AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
2. ADOPT THE FINDINGS REQUIRED BY THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ITS GUIDELINES WHICH ARE HEREIN ATTACHED AS EXHIBIT "D"
3. DETERMINE THAT THE PROJECT, AS APPROVED, WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET SEQ.
5. AUTHORIZE ISSUANCE TO GAVIOTA TERMINAL COMPANY OF A FOUR-YEAR GENERAL LEASE - INDUSTRIAL USE BEGINNING MAY 1, 1987, INCLUDING THE MEASURES SPECIFIED IN EXHIBIT "E", AND SUBSTANTIALLY IN THE FORM ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$99,958 FOR THE YEAR BEGINNING MAY 1, 1987 AND \$180,000 PER ANNUM THEREAFTER, PROVISION OF A \$1,000,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$10,000,000, OR PROOF OF SELF-INSURANCE ACCEPTABLE TO THE STATE FOR AN INTERIM MARINE TERMINAL ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

LAND DESCRIPTION

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Four parcels of tide and submerged land in the Pacific Ocean approximately one half mile east of Gaviota, Santa Barbara County, California, said parcels being described as follows:

PARCEL 1 - PIPELINES

A strip of tide and submerged land 35 feet wide, the centerline of which is described as follows:

BEGINNING at a point which bears N89°07'35"E, 3906.03 feet from United States Coast and Geodetic Survey Monument "TANK, 1933", as shown upon Sheet 19 of 39, of certain maps prepared by the State Lands Commission entitled "Survey of the Mean High Tide Line Along the Shore of the Pacific Ocean", said maps being filed for record in Book 41 of Miscellaneous Maps, pages 12-50, inclusive, on April 20, 1959, in the Office of the County Recorder of Santa Barbara County; thence into the Pacific Ocean S3041'36"W 1009.10 feet; thence S3040'00"W 1422.91 feet; thence S0000'00"W 1570.00 feet to a point designated "A" and the end of the herein described centerline.

PARCEL 2 - BUOYS

A circular parcel of submerged land 2000 feet in diameter, the center point of which is located as follows:

BEGINNING at the point designated "A" in Parcel 1 above; thence S48°34'35"E, 226.72 feet to said center point.

PARCEL 3 - BUOY

A circular parcel of submerged land 20 feet in diameter, the center point of which is located as follows:

BEGINNING at the point designated "A" in Parcel 1 above; thence N20°15'12"W 816.38 feet to said center point.

PARCEL 4 - BUOY

A circular parcel of submerged land 20 feet in diameter, the center point of which is located as follows:

BEGINNING at the point designated "A" in Parcel 1 above; thence N74°04'56"W 1987.20 feet to said center point.

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Exhibit "A" (cont.)

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EXCEPTING FROM above described Parcel 2 any portion thereof lying within above described Parcel 1 and ALSO EXCEPTING any portion of Parcel 1 lying landward of the ordinary high water mark.

This description is based on the California Coordinate System of 1927, Zone 6.

END OF DESCRIPTION

REVISED OCTOBER 24, 1986 BY BOUNDARY SERVICES UNIT, M. L. SHAFER, SUPERVISOR.

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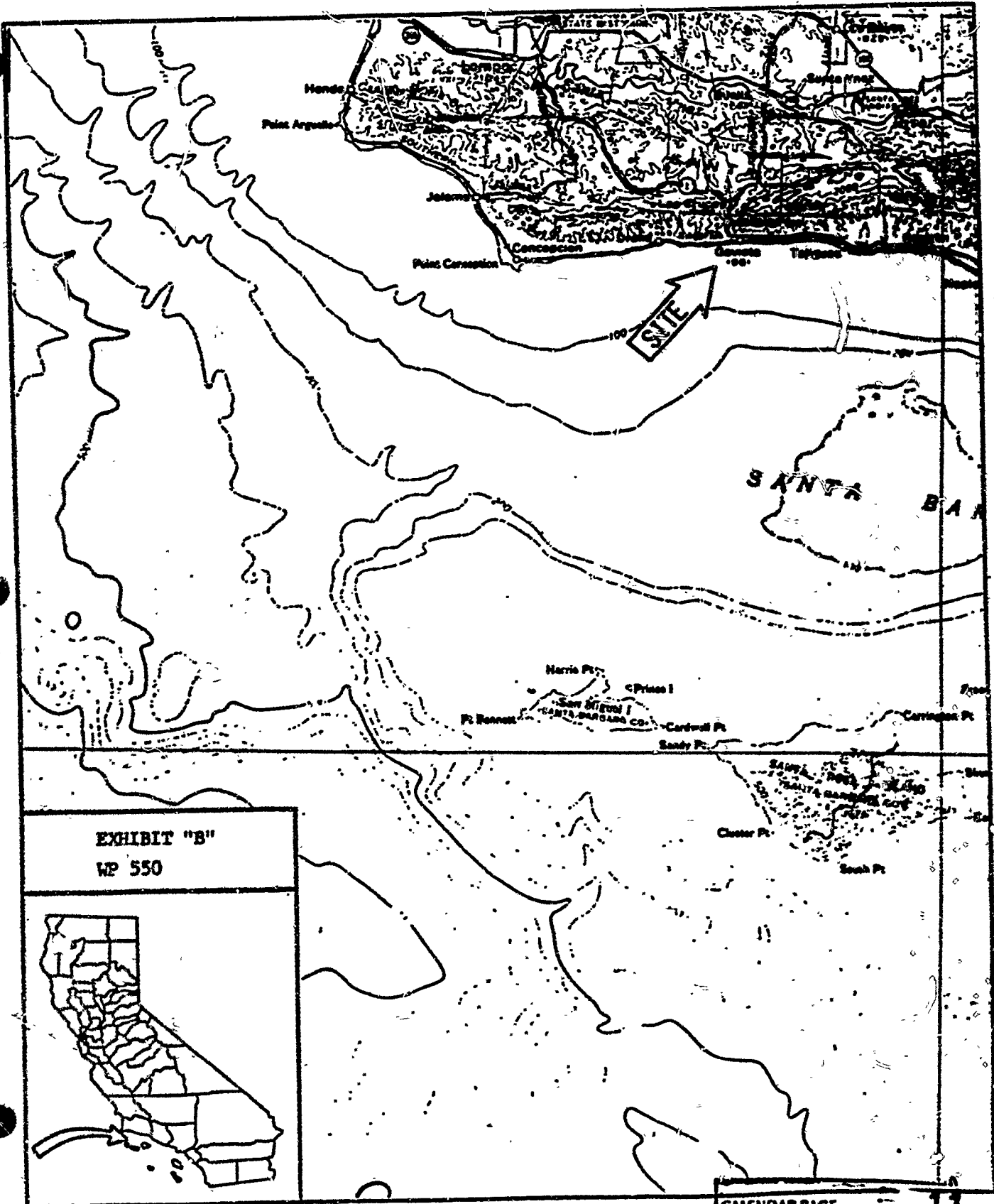


EXHIBIT "B"

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"EXHIBIT C"

**GAVIOTA TERMINAL COMPANY
GAVIOTA INTERIM MARINE TERMINAL
OFFSHORE PIPELINES AT GAVIOTA
SUPPLEMENT TO THE GETTY GAVIOTA CONSOLIDATED FACILITY EIR
AND CEQA FINDINGS**

I. BACKGROUND

In March 1983, Getty Trading and Transportation Company (now Texaco) submitted an application for major expansion of their marine terminal operation at Gaviota, California. Subsequently the County of Santa Barbara served as the lead agency under the provisions of CEQA. The EIR produced (State Clearinghouse No. 83113017, County Document No. 84-EIR-15) included assessments of a number of marine terminal expansion phases and design scenarios. The phases assessed focused on alternative mooring locations, incremental expansion of crude oil storage capacity, and a supply/crew base. Also included in the final document was a direct comparison of the proposed project and an alternative marine terminal location at Las Flores Canyon approximately 15 miles to the east. The Final Environmental Impact Report was certified in a public hearing on January 11, 1985.

A modified Phase 1 expansion was approved by the Santa Barbara County Planning Commission on February 21, 1985. This decision was appealed to the Board of Supervisors by a number of parties including the applicant. During the appeals process, three oil companies, Texaco Trading and Transportation Inc., Exxon Company USA, and Chevron USA, Inc. announced a marine terminal development and use scenario different from that approved by the Planning Commission. This proposal, developed to address a number of issues raised in the various appeals, would result in the use of Gaviota facilities with minor modification until other expanded crude oil transportation facilities become available. The project at Gaviota is therefore called an "interim use" proposal.

Texaco Trading and Transportation Company, as agent for the five companies (Sun and Phillips Petroleum joined the original three) comprising a joint venture group, has proposed to increase the throughput of the existing Gaviota Marine Terminal from approximately 3,500 bbl/day to 100,000 bbl/day. This increase would be accompanied by modifications to the facility to reduce air quality emissions and upgrade existing safety systems.

Initial staff analysis of the Gaviota Interim Marine Terminal proposal indicated that a number of impacts caused by facilities modifications and increased throughput would be substantially different from those assessed in the Getty Gaviota Consolidated Coastal Facility EIR. Therefore, under Section 15163 of the California Environmental Quality Act, a Supplemental EIR was produced to assess these changes in impacts, examine project alternatives, develop additional mitigation measures and provide public review of the impacts associated with the project.

Anticipated start-up dates for oil production and transportation facilities indicate an estimated 2 to 4 year period during which use of existing transportation facilities would be required. The three companies who proposed the interim use scenario have drilling and production timelines which may require transportation of crude oil through an interim facility. The application for interim use of the Gaviota Marine Terminal indicates that the terminal operation would cease upon availability of new crude oil transportation facilities.

II. PROJECT COMPONENTS

The major elements of the proposed Gaviota Interim Marine Terminal consist of the following:

- o A 6-point mooring located 3,500 feet offshore;
- o A vapor recovery system (GTC currently proposes modifications to increase the systems operating efficiency and for safety considerations.);
- o A new 30-inch diameter subsea, concrete-coated, unburied (except through the surf zone) pipeline for crude oil loading;
- o Two existing 12-inch diameter subsea lines for vapor recovery/vapor balance;
- o Two new 239,000-barrel crude oil storage tanks, and an optional 80,000-barrel crude oil storage tank to be installed in the future, plus four existing crude oil storage tanks;
- o Conversion of one existing 43,000 barrel tank for fire water. This tank, located in the northwest corner of the property, was originally proposed by GTC for conversion to crude oil storage. It is in addition to an existing 30,000 barrel fire water tank;

- o Internal floating roofs on all crude oil storage tanks;
- o Two new 1000-hp vessel-loading pumps;
- o Incoming dry oil delivery pipeline from the Chevron facility across Highway 101; and,
- o An upgraded electrical substation which consists of a 3750 KVA transformer replacing an existing 1500 KVA transformer.

III. PIPELINE CONSTRUCTION (OFFSHORE)

Installation of the subsea pipelines will involve the use of the "pull-barge" construction method. Individual segments of precoated pipe will be joined on shore, in a staging area, to form "strings" a few hundred feet long. The strings will be pulled from shore by the pull barge until a new string can be welded onto the previous string. Buoyancy devices will be attached to the pipeline to float it just off the sea floor. This process will be continued until the entire pipeline has been assembled. When in the proper position, the pipeline will be flooded with water and allowed to settle into place.

Pipelines located within the surf zone would be installed in a manner that would adequately protect them from future wave or rock damage while minimizing the environmental impact during installation. The installation techniques described below are based on compliance with the Joint Offshore Oil and Gas regulations proposed by the California State Lands Commission and the California Division of Oil and Gas which incorporate the safety standards of Parts 192 and 195, Title 4, CFR. These regulations would require the pipelines to be buried to a minimum depth of 36 inches in sand or unconsolidated material, or 18 inches through rock.

In soft bottom areas, the sand would be excavated to a depth of 7 feet using a clamshell dredge in the surf and a backhoe on the beach. The width of the trench would vary between 15 and 20 feet wide.

In nearshore hard-bottomed areas having inadequate sand cover it would be necessary to trench the underlying rock by clamshell dredge or by fracturing the rock using explosives prior to excavation. The exact extent to which blasting would be required cannot be determined until geotechnical surveys are conducted along the route centerline.

In the surf zone, the pull barge method will be used. The pipeline would be fabricated at a staging area near the existing truck rack and drawn offshore by a pull barge.

Subsea ridges may have to be trenched along the pipeline route to provide a uniform bed for the lines. If conventional trenching procedures are not possible, blasting would be used. Blasting would be scheduled to avoid seasonal peaks of fish migration and fishing.

IV. OPERATIONS

The basic operations at the facility consist of receiving and storing crude oil, mooring the incoming vessels, loading the crude oil into the vessels, and operating the vapor recovery system.

Dehydrated crude oil would enter the facility by truck, consistent with existing operations, and by pipeline from the Chevron processing plant. The pipeline would be connected to both the storage facilities and the loading line, so that oil could be stored or sent directly to the loading pumps and onto a vessel.

Six or seven crude oil storage tanks, four existing and two or three new, would be used for the interim operation. These include three existing 80,000 barrel tanks, one 35,000 barrel tank, two new 239,000 barrel tanks, and one optional new 80,000 barrel tank to be constructed, if necessary, in the future. These tanks would be equipped with automatic gauges and vapor recovery system. High and low level tank alarms would be employed to reduce the risk of overflow or of drawing vapor into the pumps. The amount of oil in the tanks would be gauged before and after each vessel loading.

Average throughput at the interim marine terminal will be 100,000 barrels per day. The frequency of vessel calls would be determined by the volume of oil entering the facility, and the size of vessels using the facility. At maximum throughput, Texaco expects 137 vessel calls per year. Vessel loading will take between 10 to 12 hours to complete. The maximum loading rate is 30,000 barrels per hour with an average of 25,000 barrels per hour.

The vessel would be assisted by a mooring master and a line launch boat. In addition, an oil spill boat would be present during loading in order to deploy containment booms in the event of a spill. Typical vessel calls would use the following procedures: (1) the mooring master is ferried to the

vessel two to three miles offshore; (2) the ship master maneuvers vessel into berth and secures mooring, aided by the mooring master and the line launch crew; (3) vessel crew lifts and connects hoses; (4) terminal operator loads vessel (10 hours to 12 hours); and, (5) vessel disconnects hoses, debarfs and leaves the area, aided by the line launch crew.

The mooring master will carry a terminal radio with backup aboard to enable him to contact the terminal operator at all times. He would act in an advisory capacity, having knowledge of local conditions. Prior to each loading, the terminal operator would hold a pre-transfer conference to finalize all specific arrangements for cargo pumping.. He would be in direct control of the cargo pumps so that pumping may be stopped at any time. In addition, hoses would be inspected and tested before each loading, as would pressure monitoring equipment and emergency shut-down systems.

V. PHASE OUT

As approved, the availability of either: (1) pipelines to Texas and Los Angeles; or (2) the Consolidated Marine Terminal would trigger the abandonment of the interim marine terminal. Pursuant to condition A-21 of the Chevron Pt. Arguello Project Final Permit Conditions, Chevron must demonstrate prior to initiation of construction activities to increase any production of crude oil beyond Phase I (100,000 barrels per day crude oil) of their project, that oil storage and transportation facilities, including a pipeline capable of shipping the vast majority of all Phase I and Phase II oil will be in operation. When such a pipeline is in operation, it is anticipated that marine terminal use would cease. Only those facilities in support of pipeline operations, i.e., storage facilities, will be required. Prior to initiation of Phase II activities, an assessment would be performed based on a more accurate picture of the projected consolidated scenario at Gaviota, than the scenario that can be projected today, because the required facilities will be known.

Texaco has currently proposed to take the following measures to restore the site during abandonment: (1) remove all above-ground terminal facilities, equipment, and piping with the exception of the two new 230,000 barrel crude oil storage tanks and one existing 80,000 bbl tank on the southern portion of applicant's property (if determined to be necessary by Santa Barbara County); (2) level all tank dikes to contour consistent with the surroundings; (3) flush all below-grade terminal pipelines with water; (4) revegetate all appropriate areas with native plant materials; and (5) remove mooring buoys and anchors.

"EXHIBIT D"

VI. CEQA FINDINGS

The environmental document for this project identified significant environmental impacts, some of which can be reduced or avoided by the implementation of mitigation measures. The California Environmental Quality Act (CEQA) requires that any agency which approves a project with significant environmental impacts make specific findings for each of these significant effects. These findings must be accompanied by a description of the rationale for making each finding.

The findings, mitigations and supporting facts presented below rely substantially on the previously noted environmental document.

As a Responsible Agency, the Commission is authorized to require changes in, or mitigation to, the project which are designed to lessen or avoid the environmental effects of that part of the project which it must approve (Sections 15041(b) and 15096(g) and (h), Title 14, California Administrative Code.

Pursuant to Section 15091(a) the State Lands Commission, acting as a Responsible Agency subject to CEQA, finds that for each significant environmental effect:

- 1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

IMPACTS

IMPACT: Bottom disturbance of nearshore intertidal and subtidal zones during pipeline construction.

FINDINGS: 1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

FACTS SUPPORTING FINDINGS:

Impacts on marine biology resources attributed to the interim use of the Gaviota marine terminal would be caused by the installation of a new subsea pipeline for crude oil loading and by increased vessel traffic. Impacts on intertidal areas, benthos habitat, and the plankton community would be adverse but insignificant.

The subsea pipeline would cross kelp beds; although the impacts of pipeline construction evaluated in the EIR were considered to be significant adverse impacts, the discussion of such impacts for the proposed project in the EIR indicates that this level of construction-related impacts would be due to the installation of a pier. Such a facility is not a part of the interim use proposal before the Commission. In addition, the subsea pipeline in the present application is shorter than that considered in the EIR. Thus, while the construction impacts on the kelp bed community could be considered significant, they are mitigable.

For example, the applicant's proposed use of a pull barge to lay the pipeline will minimize impacts on the kelp beds.

The applicant will avoid any hard bottom habitats in the nearshore portion of pipeline routes through which blasting would be necessary. Imposition of this mitigation measure would avoid long-term adverse effects to benthic communities, but it is dependent upon whether a feasible alternative through soft bottom habitats can be found.

MITIGATION MEASURES REQUIRED BY THE COMMISSION:

1. The applicant shall submit its plan for anchoring the pull barge specifying the location of proposed anchor sites and methods of placing and removing such anchors for review by Commission staff prior to the start of construction. This submission should also include the Marine Biology Impact Reduction Plan which shall address the restoration of anchor scars, particularly those within the historic kelp bed. Such plan shall also provide for a pre- and post- construction survey of the affected kelp bed and restoration of those portions of the bed adversely affected by construction activities.
2. No blasting will be permitted in the hard bottom habitats in the nearshore portion of the pipeline routes. Should such areas be encountered during pipeline construction, the applicant shall submit a modified pipeline routing which avoids such areas to the State Lands Commission for its consideration.
3. If rerouting of the pipeline proves infeasible, the applicant shall submit its County approved Marine Biology Impact Reduction Plan to the Commission staff for its review and acceptance. Such plan shall be expanded to include a discussion of the procedures to be followed prior to, during, and after any proposed blasting. Such plan shall provide measures to substantially lessen or

eliminate potential impacts on marine birds and mammals such as setting off a small charge to temporarily displace birds or mammals from the area, among others. The applicant shall also provide funds to the Commission for the services of a marine biologist to oversee and monitor such blasting.

IMPACT:

A major oil spill would cause death and contribute to potential reproductive failure for nearly all classes of marine organisms except for certain resistant species such as kelp. Of special concern near Gaviota is the tidewater goby that inhabits the mouth of Gaviota Creek.

FINDINGS:

- 1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

FACTS SUPPORTING FINDINGS:

The major concern during the operation of the project would be major oil spills as a result of tanker collision, tanker grounding, terminal loading malfunction, or pipeline rupture. The low probability of a major oil spill of 10,000 barrels (bbls) or greater, combined with required oil spill contingency plans, greatly reduce potential oil spill impacts. However, if a major spill did occur, impacts would be significant for some marine communities.

In the event of a major oil spill in any of the primary sensitive areas, impacts would be considered significant because of their designations as "areas of special biological concern." Although oil spill contingency plans and safety measures would reduce the risk, the impacts resulting from a major oil spill would be unavoidable.

Oil spill risk assessments for various OCS lease and results of the 1969 Santa Barbara oil spill also indicate that oil spills could affect the Santa Barbara coastline between Point Conception, Carpinteria and the northern Channel Islands. In the event of a major oil spill, the severity of biological impacts would depend upon the amount and type of oil, concentrations of oil reaching the biota, physiography of the spill area, weather conditions at the time of the spill, biota of the impacted habitats, time of year, prior exposure of the biota to other pollutants, co-contamination of the impacted biota by other pollutants, and use of treatment agents for spill cleanup. The following information describes potential effects of oil spills on marine communities along the Santa Barbara County coastline.

Fish: Nearshore fish that may be impacted during a spill include a variety of species such as flatfish, surfperch, and rockfish. Nearshore species associated with rocky and/or kelp bed habitats generally have more restricted food and habitat requirements and, therefore, may be impacted to a greater degree than species occurring farther offshore. The tidewater goby, a candidate species for threatened status, would be vulnerable to a spill that reaches the coastal lagoon near Caviota. The magnitude of these impacts would be directly related to the volume of oil spilled and the magnitude of shoreline contamination that actually occurs. Significant, measurable impacts are expected for nearshore fishes in the event that a spill greater than 10,000 bbls moves ashore in the vicinity of Caviota.

Benthic Invertebrates: Investigations of the benthic community after the 1969 Santa Barbara oil spill have shown the loss of organisms was substantial, but not total. Similar spills have produced community level effects on benthic infaunal composition, stability, and successional stages. Therefore, it is probable that the benthic community would be substantially reduced by such an oil spill, with recovery to pre-spill conditions anticipated within 1 to 10 years.

As the spill moved offshore, the effect on benthic communities would be substantially reduced because of the dissipation of toxic components and sinking oil and tars being diluted and distributed over a large area of the sea floor.

Intertidal: The effects of oil spills on intertidal species is quite variable. Studies after the San Francisco heavy fuel spill revealed that acorn barnacles, shore crabs, and limpets suffered high mortalities, while other species were unaffected. Although high mortalities were reported for some species, communities recovered within 1 year. Similarly, barnacles and mussels suffered high mortalities in scattered local areas after the Santa Barbara oil well blowout. Therefore, although oil spills can cause significant impacts in some intertidal species, recovery usually occurs within two years.

Marine Birds: Major oil spills represent a potentially significant impact to seabirds because direct oiling can cause: loss of flight; loss of the ability to fly; hypothermia; lethal or sublethal toxic effects; ingestion through preening; transfer of oil from adults to chicks or eggs; elimination of a portion or all of the species habitat; and the contamination or elimination of food sources.

Transport of a spill offshore toward Anacapa Island would produce the greatest seabird mortalities. Recovery of seabirds nesting on Anacapa could take decades to complete.

Marine Mammals: A few California sea lions and harbor seals may be killed due to a spill since they do not avoid such slicks and oiling of their fur could result in hypothermia. Haulout areas that could be affected by a spill in excess of 1,000 bbls are present at Burmah Beach and Ellwood near Coal Oil Point. For these reasons, such an impact would be significant.

A detailed spill contingency plan must be developed to protect marine and coastal habitats in the event of a major spill. This plan must specifically identify the equipment and logistics for containing and cleaning up spills. At a minimum, the plan should identify sensitive areas recognized by the Federal, State and local governments along the South Coast and Channel Islands, and then provide a procedure (equipment, logistics) that is appropriate for spill containment at each site. The spill containment and cleanup procedures must account for the range of sea and weather conditions expected at each site.

If properly designed and implemented, the plan would be effective in reducing impacts to key sensitive areas. However, it is unlikely that any plan would be completely effective for large spills because of the spill's large surface area and volume.

MITIGATION MEASURES REQUIRED BY THE COMMISSION:

The applicant shall develop a detailed Oil Spill Contingency Plan as specified and submit it to the Commission for its review and acceptance prior to the start of operations. The terminal shall not begin operating until the plan has been accepted by the Commission.

STATEMENT OF OVERRIDING CONSIDERATIONS

The State Lands Commission finds that the benefits of the project are greater on balance than the level of environmental risks associated with the operations of the project.

Although no mitigation measure can completely eliminate all potential impacts of a large oil spill, conditions have been attached to the approval to ensure that they are mitigated to the maximum extent feasible. Only the "no project" alternative would completely eliminate these impacts. The approval of this alternative would, however, result in the

disapproval of a viable transportation system to accommodate the early years of new Federal OCS production until an onshore pipeline system is operational, a goal consistent with Santa Barbara County policies (Santa Barbara County Certified Land Use Plan). The project has already been acted upon and approved by the County as CEQA Lead Agency.

The substantial benefits provided by the project, as detailed in the Draft and Final Environmental Impact Reports, the project's short lifespan, and the overriding need for marine transportation for already approved OCS oil production, outweigh the potentially significant environmental impacts of this project. This marine terminal is proposed on an interim basis because Santa Barbara County policies do not favor the use of marine tanker vessels as the primary transportation system to transport crude oil out of the County. The project will provide for the necessary transportation and storage of processed crude oil from the approved Chevron Pt. Arguello OCS project, and is to be phased out when alternative onshore transportation systems are available.

IMPACT: Construction of subsea pipelines would interfere with set gear fishermen and result in exclusion from fishing grounds (cumulative impact).

FINDINGS: 1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

FACTS SUPPORTING FINDINGS:

Commercial fishing is vigorous in the waters off the coast of Gaviota to Jalama. Increased tanker traffic would increase the potential for interference with fishing between the shipping lanes and shore.

The impacts on commercial fishermen would be significant but mitigable.

Phasing of offshore construction among projects to avoid overlapping preemption of fishing grounds would reduce the impact of this project, and would be coordinated with County of Santa Barbara, Minerals Management Service and Department of Fish and Game.

In addition, the County of Santa Barbara has established a Fishermen's Contingency Fund to compensate commercial fisheries for loss of fishing time.

MITIGATION MEASURES REQUIRED BY THE COMMISSION:

The applicant shall submit a project construction time table to the Commission for its review and acceptance. Such time table shall, at minimum, contain proposals or procedures to:

1. Minimize the time required for construction; and
2. Consider other projects in the region and phase, on time, offshore construction to avoid overlapping preemption of fishing grounds.

IMPACT: Fishing vessel collisions with support boats and offshore facilities, and fishing gear damage from bottom obstacles are expected to increase (cumulative impact).

FINDINGS: 1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

FACTS SUPPORTING FINDINGS:

Increased support vessel and tanker traffic would increase the potential for interference with all types of fishing and damage to fishing gear, particularly set gear and drift gill nets. Boat traffic through nearshore waters would increase substantially in the vicinity of Gaviota. The effects of increased vessel traffic would be significant for drag and set gear. Purse seine fishing should be flexible and able to move and avoid areas of disturbance, thus impacts would not be significant.

There are mitigation measures available which would reduce the impacts noted above.

The removal of all construction equipment, construction anchors and construction mooring buoys within 3 months after construction is completed would avoid snagging of trawl nets.

The publication of the exact location and configuration of all seafloor modifications resulting from construction in enough detail would allow fishermen to avoid them.

Minimizing seafloor modifications and disturbance through use of best available construction techniques and facilities siting (use of common corridors for pipelines), would reduce the potential for disruption of trawl fishery operations.

MITIGATION MEASURES REQUIRED BY THE COMMISSION:

The applicant shall certify to the Commission, following the completion of construction, that they have:

1. Removed all construction equipment, construction anchors and construction mooring buoys within 3 months after construction is completed;
2. Published the exact location and configuration of all seafloor modifications resulting from construction in enough detail to allow fishermen to avoid them. A copy of such publication shall also be provided to the Commission; and
3. Minimized seafloor modification and disturbance through use of best available construction techniques and facilities siting (common pipeline corridor).

EXHIBIT E

MITIGATION MEASURES REQUIRED BY THE COMMISSION

1. The applicant shall submit its plan for anchoring the pull barge specifying the location of proposed anchor sites and methods of placing and removing such anchors for review by Commission staff prior to the start of construction. This submission should also include the Marine Biology Impact Reduction Plan which shall address the restoration of anchor scars, particularly those within the historic kelp bed. Such plan shall also provide for a pre- and post-construction survey of the affected kelp bed and restoration of those portions of the bed adversely affected by construction activities.
2. No blasting will be permitted in the hard bottom habitats in the nearshore portion of the pipeline routes. Should such areas be encountered during pipeline construction, the applicant shall submit a new proposed pipeline routing which avoids such areas to the State Lands Commission for its consideration.
3. If rerouting of the pipeline proves infeasible, the applicant shall submit its approved Marine Biology Impact Reduction Plan to the Commission staff for its review and acceptance. Such plan shall be expanded to include a discussion of the procedures to be followed prior to, during, and after any proposed blasting. Such plan shall provide measures to substantially lessen or eliminate potential impacts on marine birds and mammals such as setting off a small charge or temporarily displace birds or mammals from the area, among others. The applicant shall also provide funds to the Commission for the services of a marine biologist to oversee and monitor such blasting.
4. The applicant shall develop a detailed Oil Spill Contingency Plan as specified and submit it to the Commission for its review and acceptance prior to the start of operations. The terminal shall not begin operating until the plan has been accepted by the Commission.

Additionally, the applicant shall:

5. Minimize the time required for construction.
6. Consider other projects in the region and phase, on time, offshore construction to avoid overlapping presumption of fishing grounds.

7. Remove all construction equipment, construction anchors and construction mooring buoys within 3 months after construction is completed.
8. Publish the exact location and configuration of all seafloor modifications resulting from construction, in enough detail to allow fishermen to avoid them. A copy of such publication shall also be provided to the Commission.
9. Minimize seafloor modifications and disturbance through use of best available construction techniques and facilities siting (common pipeline corridor).