

MINUTE ITEM
This Calendar Item No. C01
was approved as Minute Item
No. 01 by the State Lands
Commission by a vote of 3
to 0 at its 7-29-93
meeting.

CALENDAR ITEM

C01

07/29/93
W 9668.8
W 9668.9
W 9777.103
Planck
Meier

ADOPT REGULATIONS PERTAINING TO OIL SPILL
PREVENTION AT MARINE OIL AND GAS
PRODUCTION FACILITIES

PROPOSAL:

Commission staff proposes that the State Lands Commission adopt Article 3.6, Sections 2170 through 2175, to Title 2, Division 3, Chapter 1 of the California Code of Regulations. These sections pertain to marine oil and gas production facilities, defined in P.R.C. 8750, which are used for the purpose of exploring for, drilling for, producing, storing, handling, transferring, processing, refining or transporting oil where a discharge could impact marine waters. The regulations expressly exclude application to marine terminals, which are governed by other Commission regulations. The proposed provisions would define terms used in the regulations, make compliance with federal, state and local regulations a provision of Commission regulation, and require our lessees to produce a manual detailing how the facility is operated, to ensure that action is taken to prevent risks to the public health and safety and to the environment.

BACKGROUND:

On September 24, 1990, the State of California enacted the Lempert-Keene-Seastrand Oil Spill Prevention Act (Act). The Act added P.R.C. Sections 8750 through 8760 and established a comprehensive program for the prevention of and response to oil spills in California's marine waters. Under P.R.C. 8755, the Commission is required to adopt rules, regulations, guidelines and leasing policies for reviewing the location, type, character, performance standards, size and operation of all existing and proposed marine facilities on State leases. P.R.C. 8756 requires that the regulations be periodically reviewed and accordingly modified to ensure that all operators of terminals and marine facilities provide the best achievable protection of the environment. Specifically, P.R.C. 8758 requires that each marine

facility operator have an approved operations manual describing equipment and procedures employed to protect public health and safety, and the environment.

On October 6, 1992, Commission staff circulated the proposed regulations for public review and comment. Commission staff conducted a public hearing on December 10, 1992, in Long Beach to receive oral and written testimony. After considering all comments, and re-circulating the revised regulations, the finalized version of the proposed regulations are herein proposed for adoption.

STATUTORY AND OTHER REGULATIONS:

- A. P.R.C. Sections 8750 through 8760.
- B. Title 33, United States Code Sections 1251 through 1387.
- C. P.R.C. Section 21084.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the Commission staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under classes 7 and 8, Action by a Regulatory Agency as Authorized by State Law to Assure the Maintenance, Restoration, Enhancement or Protection of a Natural Resource and of the environment where the regulatory process involves procedures for protection of the environment, 14 Cal. Code Regs. 15307 and 15308.

Authority: P.R.C. 21084 and 14 Cal. Code Regs. 15300.

Exhibit:

- A. Proposed Regulations

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IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASSES 7 AND 8, AN ACTION BY A REGULATORY AGENCY AS AUTHORIZED BY STATE LAW TO ASSURE THE MAINTENANCE, RESTORATION, ENHANCEMENT, OR PROTECTION OF NATURAL RESOURCES AND OF THE ENVIRONMENT WHERE THE REGULATORY PROCESS INVOLVES PROCEDURES FOR PROTECTION OF THE ENVIRONMENT (14 CAL. CODE REGS. 15307 AND 15308).
2. FIND THAT NO ALTERNATIVE WOULD BE MORE EFFECTIVE IN CARRYING OUT THE PURPOSE FOR WHICH THE REGULATION IS PROPOSED OR WOULD BE AS EFFECTIVE AND LESS BURDENSOME TO AFFECTED PRIVATE PERSONS THAN THE PROPOSED REGULATION.
3. ADOPT REGULATIONS SUBSTANTIALLY IN THE FORM OF THOSE SET FORTH IN EXHIBIT "A", TO BECOME EFFECTIVE IMMEDIATELY UPON FILING WITH THE SECRETARY OF STATE.
4. AUTHORIZE COMMISSION STAFF TO MAKE MODIFICATIONS IN THE REGULATIONS IN RESPONSE TO RECOMMENDATIONS BY THE OFFICE OF ADMINISTRATIVE LAW.
5. DIRECT COMMISSION STAFF TO TAKE WHATEVER ACTION IS NECESSARY AND APPROPRIATE TO COMPLY WITH PROVISIONS OF THE GOVERNMENT CODE REGARDING ADOPTION OF REGULATIONS AND TO ENSURE THAT THE REGULATIONS BECOME EFFECTIVE.
6. DIRECT COMMISSION STAFF TO TAKE WHATEVER ACTION IS NECESSARY AND APPROPRIATE TO IMPLEMENT THE PROVISIONS OF THE REGULATIONS AT SUCH TIME AS THEY BECOME EFFECTIVE.

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ARTICLE 3.6 OPERATION MANUAL & EMERGENCY PLANNING

2170 General Provisions

This Article 3.6 pertains to all exploration and production oil and gas facilities on tide and submerged lands under the jurisdiction of the State Lands Commission. For the purposes of this Article only, the term "marine facility" shall not include terminals used exclusively for transferring oil to or from vessels.

Authority: Public Resources Code Sections 6103, 6108, 6216, 6301, 6873, 8755, 8756, and 8758.

Reference: Public Resources Code Sections 6005, 6216, 6871, 6871.1, 6873, 8755, 8756, and 8758.

2171 Definitions

(a) "Commission" means the California State Lands Commission.

(b) "Staff" means the Executive Officer or other duly authorized member of the staff of the State Lands Commission.

(c) "Oil" means any kind of petroleum, liquid hydrocarbons, or petroleum products or any fraction or residues therefrom, including, but not limited to, crude oil, bunker fuel, gasoline, diesel fuel, aviation fuel, oil sludge, oil refuse, oil mixed with waste, and liquid distillates from unprocessed natural gas.

(d) "Spill" or "discharge" means any release or discharge of oil or other refuse of any kind from any well or facility into marine waters not authorized by any federal, state, or local government entity.

(e) "Marine waters" means those waters subject to tidal influence, except for waters in the Sacramento-San Joaquin Rivers and Delta upstream from a line running north and south through the point where Contra Costa, Sacramento, and Solano Counties meet.

Authority: Public Resources Code Sections 6103, 6108, 6216, 6301, 6873, 8755, 8756, and 8758.

Reference: Public Resources Code Sections 6005, 6216, 6871, 6871.1, 6873, 8755, 8756, and 8758.

2172 Administration

The Staff shall administer this Article 3.6 and shall thereby seek to provide for the prevention and elimination of any contamination or pollution of the ocean and tidelands, and marine waters for the prevention of waste, for the conservation of natural resources, and for the protection of human health and safety, and the environment.

Authority: Public Resources Code Sections 6103, 6108, 6216, 6301, 6873, 8755, 8756, and 8758.

Reference: Public Resources Code Sections 6005, 6216, 6871, 6871.1, 6873, 8755, 8756, and 8758.

2173 General Requirements

(a) Each operator of a marine facility shall prepare an operations manual describing equipment and procedures which the operator employs or will employ to protect the public health and safety and the environment and to prevent oil spills.

(b) The operation manual shall demonstrate compliance with all applicable marine facility operating rules and regulations of the State Lands Commission and the lease terms (if applicable).

(c) Copies of the manual shall be available and accessible to every employee at the field facility and at the next supervising level location. Two current approved copies shall be filed with the State Lands Commission Mineral Resources Management Division Staff.

Authority: Public Resources Code Sections 6108, 6216, 8755, and 8758

Reference: Public Resources Code Sections 6108, 6216, 6873(b), 8755, and 8758.

2174 Manual Review

(a) Submission of Manual.

(1) The operations manual for any existing facility shall be submitted to Staff for review and approval within one year of the effective date of these regulations.

(2) For any facilities not presently in existence, an operations manual shall be submitted to Staff for review and approval as part of the application for approval of the facility.

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(3) Staff shall review and respond to the operator within 90 days after a complete application for review has been submitted and acknowledged.

(b) Updates and Changes to Approved Manual

(1) The operations manual shall be kept current at all times.

(2) Whenever any routine change (administrative or clerical) is made in the operation, an update amendment reflecting that change shall be sent to Staff within 30 days.

(3) Any substantial changes to the manual or its content shall require prior approval by Staff. A substantial change is one which is non-routine, or which would increase or decrease the ability of the operator to respond to a spill, to provide for personnel safety, or to protect the environment.

(4) Subsequent reviews will be required as necessary when facility operations or technology changes, or when the Commission finds that the manual of any operator is no longer consistent with the provisions of this article or other rules, regulations, or guidelines of the Commission. Staff shall review and respond to the operator within 90 days after a complete application for review has been submitted and acknowledged.

(c) Denial

(1) Approval shall be denied if the Operations Manual does not comply with the conditions set forth in this article.

(2) If approval is denied, Staff shall notify the operator of the reasons for denial and provide an explanation of those actions necessary to secure approval.

(d) Appeal

(1) If Staff denies approval of the Operations Manual, the operator may appeal this decision in by submission of a written appeal to the Commission regarding the decision to deny approval of the plan. Any appeal must be submitted within 10 calendar days from the date the operator receives notice that approval of the plan has been denied. The request must contain the basis for the appeal and provide evidence which rebuts the basis for the Staff's denial of the plan.

(2) Upon receipt of an appeal, the Staff shall place the appeal on the calendar for the next Commission meeting taking place at least thirty (30) days after the appeal is received. The Commission may consider the appeal at that meeting or may delay consideration until a later meeting. Within 15 days after the Commission makes a decision on the appeal, the Staff shall send the operator written notice as to the Commission's decision.

(e) Proof of Approval

The operator shall keep the Letter of Approval filed in the front of the approved operations manual that is kept on the facility. The approval letter shall be presented upon request to any official representing the Commission or Administrator.

Authority: Public Resources Code Sections 6108, 6216, 8755, 8756, and 8758

Reference: Public Resources Code Sections 6108, 6216, 6873(b), 8755, and 8758

2175 Manual Content

(a) The manual shall be arranged in a logical order and with clearly defined tabs for quick reference to emergency plans and procedures, a comprehensive table of contents and numbered pages.

(b) Each manual shall as a minimum include the following:

(1) Location: Appropriate maps, charts and geographic descriptions shall be included, indicating clearly the location of the facility and its relationship to nearby geographic features.

(2) Ownership and Responsibility: Information shall be included identifying the owner or owners of the facility and all those who may be responsible for the operation of the facility or for implementation of operation or contingency plans. Addresses and telephone numbers shall be included and kept current for each person or entity listed.

(3) Purpose: The manual shall include general explanations of the purposes of the facility and its various components.

(4) Personnel. A listing of operating staff positions shall be provided, showing the chain of command and the responsibility of each position. Employee qualifications for responsible positions must be outlined and staffing levels of the facility must be justified. On any facility which does not maintain 24-hour surveillance, justification and description of safety and security systems shall be discussed.

(5) Description of Operations:

(A) The manual shall include plot plans of the facility and flow diagrams for each of the production flow streams, including oil, gas, and water injection. Each major component and associated equipment including, but not limited to, wells, piping, process vessels, tanks compressors, pumps, and alarm, control and safety systems shall be narratively described, including function, capacity, physical size and pressure rating.

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(B) Detailed information regarding preventive maintenance programs and procedures shall be provided.

(6) Personnel Safety: Detailed information shall be provided regarding equipment and procedures employed for the purpose of ensuring personnel safety, including, but not limited to, information concerning the following:

- (A) Personnel safety;
- (B) Safety responsibilities of each personnel position;
- (C) Training;
- (D) Safety Drills;
- (E) Inspection of Personnel Safety Equipment; and
- (F) Compliance with applicable provisions of Division 5 of the Labor Code and regulations adopted pursuant thereto.

(7) Systems Safety: Detailed information shall be provided regarding equipment and procedures employed for the purpose of preventing oil discharges or other accidents which may harm or threaten public health and safety or the environment, including, but not limited to, information concerning the following:

- (A) Systems Safety Equipment;
- (B) Systems Safety Training;
- (C) All operations and procedures employed for the prevention of oil discharges or other pollution; and
- (D) Inspection and testing of system safety equipment and operations.

(8) Automatic Control Systems and Equipment: Subsection (b)(7) shall include information concerning the identification, use and operation of any safety equipment that can be operated remotely, automatically, or by pre-program and any appropriate manual override information. The following information should be included:

- (A) Normal process and operation;
- (B) Safety shut-down; and
- (C) Emergency shut-down

(9) Production Processing: All production streams must be identified, with the minimum following information included for each fluid:

- (A) Chemical makeup;
- (B) Fluid volumes;
- (C) Pressures;
- (D) Flow rates;

- (E) Temperatures;
- (F) Appearance;
- (G) Odor;
- (H) Instructions for safe emergency handling; and
- (I) Any hazards which might be encountered in dealing with the fluid.

(10) Oil Spill Contingency and Hazardous Materials Plans: The manual shall include or have attached (or otherwise incorporate by reference) copies of the following:

(A) Any oil spill contingency plan required under the lease issued by the Commission or under Chapter 7.4 of Division 1 of Title 2 (§§8670.1 et seq.) of the Government Code; and

(B) For each fluid identified under subsection (b)(9) of this section, any business plan for responding to hazardous materials releases required under Chapter 6.95 of Division 20 of the Health and Safety Code.

(11) Fire Fighting Response: The manual shall also include information regarding response to fire, including at minimum the following:

(A) Information regarding primary response, including, but not limited to, detailed descriptions of response equipment and their use and operation, personnel, training, drills, communications equipment and procedures, and evacuation plans; and

(B) Information regarding secondary response, including, but not limited to, detailed descriptions of response equipment and their use and operation, use of mutual aid organization or cooperatives for fire suppression, interagency agreements or memoranda of understanding, and communications equipment and procedures.

(12) Other Emergency Response Plans.

(A) In addition to the plans set forth in subsections (b)(10) and (b)(11) of this section, any other emergency response plans shall also be included in or attached (or otherwise incorporate by reference) to the manual.

(B) Every plan submitted shall have included or attached the names and telephone and facsimile numbers of all relevant contact personnel with the facility operator, State and Federal response agencies, local fire, police, and medical responders; security, personnel; and mutual aid cooperatives or organizations.

(C) Among the additional plans to be submitted shall be at minimum the following:

- (i) A Well Control Plan (Drilling and Workover);
- (ii) A Critical Operations and Curtailment Plan (Drilling & Production, or substantial construction project);
- (iii) An H₂S Contingency Plan (if applicable);
- (iv) A Facility Emergency Evacuation Plan;
- (v) Natural Disaster Response Plans; and
- (vi) Security Plans

(13) Communication Systems: The manual shall describe in detail how communications systems employed at the facility provide for redundancy and interface with other area facilities, emergency responders, and agencies.

(14) Operational Support: The manual shall also include a description of normal and emergency operational support, including, but not limited to, the type and use of helicopters and vessels.

- A. Helicopters
- B. Boats & Vessels
- C. Other

(15) Other Information. The manual shall also include any other information necessary or appropriate for the Commission and for those working at the facility to know and understand the equipment, operations and systems employed at the facility both for ordinary operations, generally, and for the specific purpose of preventing harm to public health and safety or to the environment.

Authority: Public Resources Code Sections 6108, 6216, 8755, 8756, and 8758

Reference: Public Resources Code Sections 6108, 6216, 6873(b), 8755, and 8758

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