

**MINUTE ITEM**  
This Calendar Item No. 75  
was submitted for information  
only, no action thereon  
being necessary.

**INFORMATIONAL  
CALENDAR ITEM  
75**

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09/19/00  
W 40821.1  
D. Mercier  
J. Hemphill

**STAFF REPORT ON THE STATUS OF  
THE SAFETY AUDIT OF VENOCO INC.'S PLATFORM HOLLY AND  
MARINE TERMINAL AND BARGE LOADING FACILITY,  
SANTA BARBARA COUNTY**

**PARTY:**

California State Lands Commission  
100 Howe Avenue, Suite 100-South  
Sacramento, CA 95825-8202

**BACKGROUND**

As a result of a series of hydrogen sulfide gas releases from the Venoco facilities from July 27, 1998, through March 1999, Venoco Inc., (Venoco) agreed to a comprehensive safety audit of all Ellwood facilities. On April 26, 1999, a joint audit team comprised of qualified Commission staff and County of Santa Barbara System Safety and Reliability Review Committee (County) representatives began a safety audit of Venoco's Platform Holly and the Marine Terminal and Barge Loading facility with the cooperation of Venoco personnel. The objective of the audit was to ensure that these facilities are capable of operating in a safe and environmentally sound manner in compliance with all applicable local and state codes/permits, as well as industry practices and standards.

**Audit Status**

A total of 228 items were identified during the audit process. These items were prioritized in terms of relative urgency from one (highest priority) to four (lowest priority). Venoco expected to be able to correct all deficiencies by December 31, 1999. However, additional engineering analyses required to correct several deficiencies resulted in extension of some timelines. Venoco, with the concurrence of Commission and County staffs, concentrated on correcting the Priority 1 and 2 deficiencies. Venoco completed all of the Priority 1 and Priority 2

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corrections for Platform Holly by August 28, 2000, and 65 percent (65%) of the Priority 3 and 49 percent (49%) of the Priority 4 deficiencies have been corrected. These corrective actions were verified by the Commission and Santa Barbara County technical staffs through follow-up field inspections and/or review of documentation as necessary. Because of additional engineering design considerations, the Commission and County staffs have agreed that the remaining lower Priority 3 and 4 deficiencies are required to be completed by either December 2000 or June 2001. This delay will not increase the risk of oil spills or atmosphere pollution.

In addition to the safety audit, in May 1999, Commission staff conducted a confidential Safety Assessment of Management Systems (SAMS) review. The SAMS review evaluates Human and Organizational Factors to enable companies to reduce Human and Organizational Error and thereby increases safety and reduces the risk of oil spills and gas releases. Venoco has responded to the Commission staff with its proposal for addressing the issues raised by the SAMS assessment. Commission staff has conducted follow-up SAMS interviews from September 11, 2000, through September 13, 2000. Once these interviews have been analyzed, any outstanding issues will be resolved.

Preliminary data shows that environmental compliance by Venoco has improved since Commission's audit and the subsequent platform improvements.