

CALIFORNIA COASTAL COMMISSION

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F6b

August 10, 2011

TO: Coastal Commissioners and Interested Parties

FROM: Alison Dettmer, Deputy Director
Kate Huckelbridge, Analyst

SUBJECT: Addendum to Staff Report for Application No. E-11-011

Staff is recommending modifications to the staff report as shown below in strikeout/underline.

The last paragraph on Page 2 and the top of Page 3 shall now read:

In this follow-up application to the emergency permit, staff is recommending in **Special Condition 1** that Venoco assume all future risk of damage to the shore zone structure and project site from unforeseen natural hazards and indemnify and hold the Commission harmless against any liability with respect to the Commission's approval of the project. In **Special Condition 2**, Venoco would be required to enter into an agreement with the Coastal Commission and State Lands Commission requiring Venoco to include the provisions of Special Condition 1 in any assignment of the lease(s) for Pier 421-1 and Pier 421-2. provide a deed restriction, in a form and content acceptable to the Executive Director, incorporating all of the terms of Special Condition 1 within 45 days of the Commission's approval of the coastal development permit.

Special Condition 2 on Page 4 shall now read:

2. Lease Restriction Letter Agreement

Within 4590 days of the Commission's approval of this coastal development permit, the applicant shall ~~submit to the Executive Director for review and approval documentation demonstrating that the applicant has executed and recorded against its leasehold interest in the parcel governed by this permit a lease restriction, in a form and content acceptable to the Executive Director:~~ 1) indicating that, pursuant to this coastal development permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of

~~the applicant's leasehold interest in that property; and 2) imposing Special Condition 1 of this permit as a covenant, condition and restriction on the use and enjoyment of the applicant's leasehold interest in the property. The lease restriction shall also indicate that, in the event of an extinguishment or termination of the lease restriction for any reason, the terms and conditions of this coastal development permit shall continue to restrict the use and enjoyment of the subject property so long as either this coastal development permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property. enter into an agreement with the Coastal Commission and State Lands Commission requiring the permittee to include the provisions of Special Condition 1 of this permit in any assignment of the lease(s) for Pier 421-1 and Pier 421-2.~~

On Page 6, the first full paragraph shall now read:

On September 27, 2010, the ~~Executive Officer~~ Chief of the Mineral Resources Management Division of the State Lands Commission sent a letter to the Coastal Commission staff stating that recent field observations and the annual structural inspection review led to the conclusion that the need for wall replacement was urgent and needed to begin as soon as possible to avoid the winter storm season...

On Page 15, the second full paragraph shall now read:

In **Special Condition 2**, the Commission is requiring the applicant to ~~submit to the Executive Director for review and approval documentation demonstrating that the applicant has executed and recorded a lease restriction, in a form and content acceptable to the Executive Director, within 45 days of the Commission's approval of the coastal development permit. The lease restriction shall be recorded against the applicant's leasehold interest in the property and shall include the requirements of Special Condition #1 as restrictions on its leasehold interest.~~ enter into an agreement with the Coastal Commission and the State Lands Commission requiring the permittee to include the provisions of Special Condition 1 in any assignment of the lease(s) for Pier 421-1 and Pier 421-2. In this way, the Commission ensures that any future leaseholder will have notice of the obligations and responsibilities that it accepts through assignment of this permit.

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| Staff: | K. Huckelbridge -SF |
| Staff Report: | 7/21/11 |
| Hearing Date: | 8/12/11 |

STAFF REPORT REGULAR CALENDAR

Coastal Development**Permit No.:****E-11-011****Applicant:****Venoco, Inc.****Project Location:**

7979 Hollister Ave.,
State Beachfront Lease 421, adjacent to the Sandpiper Golf
Course, Goleta, Santa Barbara County.

Project Description:

Replace the seaward caisson wall and parts of the two side
caisson walls at Pier 421-2, and remove 72 damaged pier
pilings underneath piers 421-1 and 421-2.

Substantive File Documents:

See Appendix A

Staff Recommendation:

Approval with Conditions, Motion on page 3.

Summary

Venoco, Inc. (“Venoco”) owns two idle wells on State Lease 421 – a water injection well on Pier 421-1 and an oil production well on Pier 421-2. The piers, constructed in 1929, are located

immediately east of the Sandpiper Golf Course in the City of Goleta, Santa Barbara County, and extend offshore several meters (see Exhibits 1 and 2). Both wells have been idle since 1994.

In 2010, inspections of the 421-2 pier revealed that significant new damage to the outer perimeter wall had caused the southwest corner of the inner caisson structure to be fully exposed, making it vulnerable to future storm loading and wave action (see Exhibit 3). On September 16, 2010, Venoco submitted a coastal development permit (“CDP”) application for the repair of the 421-2 caisson. Due to the urgency of the needed repair work, and at the request of the California State Lands Commission, on October 21, 2010, the Executive Director of the Coastal Commission issued Emergency Permit E-10-013-G for the replacement of the caisson walls at Pier 421-2. Subsequent to this approval, the State Lands Commission directed Venoco to remove the original piles under both 421 piers to address potential public safety, health and environmental concerns. On December 20, 2010, Venoco requested permission to conduct additional work under the emergency permit issued in November 2010. On January 24, 2011, the Executive Director of the Coastal Commission issued Venoco Emergency Permit E-11-001-G including both the caisson repair and the piling removal work, wholly superseding and replacing Emergency Permit E-10-013-G (see Appendix B). The emergency permit included a number of conditions developed in consultation with local, state, and federal agencies to mitigate construction-related impacts from the project, such as implementing a marine mammal safety zone around the pier during pile-driving activities, employing environmental monitors and safety personnel to minimize disturbance to wildlife and people from construction, fencing off environmentally sensitive areas, and preparing oil spill prevention and response equipment and procedures. Between November 2010 and June 2011, Venoco completed the repair work (see Exhibits 4 and 5).

This coastal development permit application is Venoco’s follow-up to the emergency permit which requests that the emergency repair work be authorized as permanent development. No additional development is proposed in this application.¹ The caisson replacement work at Pier 421-2 involved: (1) re-establishing a temporary sand ramp for beach access of equipment to the project site; (2) installing a temporary steel support floor on top of Pier 421-2 to support construction activities and equipment; (3) driving 16 new steel pilings into the pier to hold the new concrete panels in place; (4) installing and grouting 75 pre-cast concrete panels keyed into underlying bedrock; and (5) pouring 120 cubic yards of concrete slurry between the old and new wall faces. The piling removal work involved: (1) cutting 40 piles beneath Pier 421-1 and 32 piles beneath Pier 421-2 at the point of attachment with the pier cross beams and just above the sand level; (2) excavating around the base of each pile; and (3) pulling out the pile with a large excavator.

The Commission staff believes Venoco adequately complied with the conditions of Emergency Permit E-11-001-G, and thus mitigated the construction-related effects of the project.

In this follow-up application to the emergency permit, staff is recommending in **Special Condition 1** that Venoco assume all future risk of damage to the shore zone structure and project

¹ A separate application by Venoco to reinstate oil production at the State Lease 421 piers is currently under environmental review by the State Lands Commission, the Coastal Commission, and the City of Goleta.

site from unforeseen natural hazards and indemnify and hold the Commission harmless against any liability with respect to the Commission's approval of the project. In **Special Condition 2**, Venoco would be required to provide a deed restriction, in a form and content acceptable to the Executive Director, incorporating all of the terms of Special Condition 1 within 45 days of the Commission's approval of the coastal development permit.

The Commission staff thus recommends approval of coastal development permit application E-11-011, as conditioned.

1.0 STAFF RECOMMENDATION

1.1 Approval with Conditions

The staff recommends conditional approval of Coastal Development Permit Application No. E-11-011.

Motion:

I move that the Commission approve Coastal Development Permit Application No. E-11-011 subject to the conditions specified below.

The staff recommends a YES vote. To pass the motion, a majority of the Commissioners present is required. Approval of the motion will result in the adoption of the following resolution and findings.

Resolution

*The Coastal Commission hereby **grants** permit No. E-11-011, subject to the conditions below, for the proposed development on the grounds that (1) as conditioned, the development will be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976 and (2) there are no feasible alternatives or feasible mitigation measures, other than those specified in this permit, which would substantially lessen any significant adverse impact which the activity may have on the environment.*

2.0 STANDARD CONDITIONS

- 1. Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a

diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.

3. **Interpretation.** Any questions of intent of interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

3.0 SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

1. Assumption of Risk, Waiver of Liability and Indemnity

By acceptance of this permit, the applicant acknowledges and agrees (i) that the site may be subject to hazards from liquefaction, tsunamis, storm waves, surges, erosion, landslide, flooding, and wildfire; (ii) to assume the risks to the applicant and the property that is the subject of this permit of injury and damage from such hazards in connection with this permitted development; (iii) to unconditionally waive any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (iv) to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.

2. Lease Restriction

Within 45 days of the Commission's approval of this coastal development permit, the applicant shall submit to the Executive Director for review and approval documentation demonstrating that the applicant has executed and recorded against its leasehold interest in the parcel governed by this permit a lease restriction, in a form and content acceptable to the Executive Director: 1) indicating that, pursuant to this coastal development permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of the applicant's leasehold interest in that property; and 2) imposing Special Condition 1 of this permit as a covenant, condition and restriction on the use and enjoyment of the applicant's leasehold interest in the property. The lease restriction shall also indicate that, in the event of an extinguishment or termination of the lease restriction for any reason, the terms and conditions of this coastal development permit shall continue to restrict the use and enjoyment of the subject property

so long as either this coastal development permit or the development it authorizes, or any part, modification, or amendment thereof, remains in existence on or with respect to the subject property.

4.0 FINDINGS AND DECLARATIONS

4.1 Project Background

Venoco, Inc. owns two idle wells on State Beachfront Lease 421 in Goleta, Santa Barbara County. The two wells are (1) a water injection well on Pier 421-1; and (2) an oil production well on Pier 421-2. The piers, constructed in 1929, are located immediately east of the Sandpiper Golf Course and extend offshore several meters into the surf zone (see Exhibits 1 and 2). An existing dirt road provides access to the piers along the toe of the adjacent coastal bluff.

Both wells have been idle since 1994, when a pipeline extending from the piers to the Ellwood Oil and Gas Facility (located immediately adjacent to the golf course) leaked 170 barrels of oil onto the golf course near the coastal bluff. Mobil Exploration and Producing, Inc., owned the facilities at the time and never resumed production of State Lease 421. In August 1997, Venoco purchased the 421 lease and Ellwood facilities and is currently seeking agency approvals to return the shore-zone wells to production.

In November 2000, a Venoco inspection revealed a gas leak from the injection well. In responding to this leak, Venoco discovered other parts of the two wells, piers, and associated infrastructure that were corroded or in need of repair. Several agencies, including the Coastal Commission, issued permits or required Venoco to take immediate action to close the wells and repair the related infrastructure.

During ongoing inspections after those repairs, Venoco noted damage to the outer caisson wall of Pier 421-1. Venoco was in the process of applying for a CDP to address this damage when, on January 19, 2004, after several severe storms, an approximately 15' x 20' section of the outer caisson wall collapsed onto the beach. On August 24, 2004, based on the recommendation of the State Lands Commission, the Coastal Commission issued Emergency Permit E-04-013-G for the proposed work on Pier 421-1. The Commission issued a follow-up CDP permit, making the emergency work permanent, on July 11, 2007.

In 2010, inspections of the 421-2 pier revealed that significant new damage to the outer perimeter wall had caused the southwest corner of the inner caisson structure to be fully exposed, making it vulnerable to future storm loading and wave action (see Exhibit 3). On September 16, 2010, Venoco submitted a CDP application for the repair of the 421-2 caisson.

Although certain repair and maintenance activities are exempt from coastal permitting requirements under Section 30610(d) of the Coastal Act, Venoco's proposal to replace the seaward-facing wall of Pier 421-1 constitutes an extraordinary method of repair and maintenance that requires a coastal development permit because it involves a risk of substantial adverse environmental impact (see Section 13252 of the Coastal Commission's Administrative Regulations). Section 13252(a)(1)(B) specifically requires a coastal development permit for the

placement, whether temporary or permanent, of solid materials (e.g., a wall) on the beach and 13252(a)(1)(D) requires a permit if construction equipment or materials are used within 20 feet of coastal waters.

On September 27, 2010, the Executive Officer of the State Lands Commission sent a letter to the Coastal Commission staff stating that recent field observations and the annual structural inspection review led to the conclusion that the need for wall replacement was urgent and needed to begin as soon as possible to avoid the winter storm season. He urged the Commission to approve an emergency permit to avert the potential collapse of the caisson structure and the release of oil into coastal waters. On that same day, Venoco requested an emergency permit from the Coastal Commission for the proposed work.

On October 21, 2010, the Executive Director of the Coastal Commission issued Emergency Permit E-10-013-G for the replacement of the caisson walls at Pier 421-2. Subsequent to this approval, the State Lands Commission directed Venoco to remove the original piles under both 421 piers to address potential public safety, health and environmental concerns. On December 20, 2010, Venoco requested permission to conduct additional work under the emergency permit issued in November 2010. On January 24, 2011, the Executive Director of the Coastal Commission issued Venoco Emergency Permit E-11-001-G including both the caisson repair and the piling removal work, wholly superseding and replacing Emergency Permit E-10-013-G (see Appendix B). Condition 4 of Emergency Permit E-11-001-G required Venoco to submit, within 30 days of project completion, a CDP application to make the emergency authorization of the wall replacement permanent. On June 6, 2011, Venoco submitted this CDP application to comply with that condition.

4.2 Project Description

The work consisted of (1) replacing the seaward caisson wall and parts of the two side caisson walls at Pier 421-2, and (2) removing the 72 original pilings beneath Piers 421-1 and 421-2. For the first portion of the project, the face of the new walls was constructed approximately two feet seaward of the existing wall face. The walls consisted of concrete panels supported by internal steel pilings at 6 foot spacing, with concrete grout between the old and the new walls (see Exhibit 4). A similar retrofit design was used for the repair of the Pier 421-1 caisson. For the second portion of the project, Venoco removed forty redundant piles beneath Pier 421-1 and 32 redundant piles beneath Pier 421-2 by making external cuts to remove the portion of the piling above the sand grade, and then using an excavator to pull out the remaining portions of the pilings (see Exhibit 5).

The majority of the repair work was completed from the top of the existing caisson and pier structure to mitigate impacts on the beach. A support floor was first constructed on top of the caisson to support the equipment necessary to conduct the pile driving and installation work from atop the pier. This required installation of 20 new steel pilings as well as steel beams and mats to complete the floor and shore up the existing structure.

Limited beach access was necessary to allow the equipment onto the beach in front of the pier to prepare for the installation of the new wall face and remove the old pilings. To achieve beach

access, Venoco re-established a temporary ramp near the west end of the pier access road by repositioning existing armor rock and moving local beach sand. No new material was needed to re-establish the ramp.

The project was completed in approximately 23 weeks, beginning on November 29, 2010. It required approximately 74 truck trips over the 7 month work period.

The project is more fully described in Venoco's submittals of September 16, 2010, and December 20, 2010. The following is a summary of the major work components.

- **Staging:** Venoco staged equipment on the access road that connects the Ellwood Onshore Facility with the 421 piers. Access from the staging area to the caisson was via a temporary ramp at the PRC 421 west end access road.
- **Strengthening the caisson:** To minimize the amount of work and equipment on the beach, Venoco completed most of the repair work from the top of the caisson. This required strengthening the caisson by driving twenty pilings in the interior of the caisson and installing steel support flooring on top of these pilings to support a 45-ton crane and pile driver. The support flooring was removed at the completion of the project.
- **Site preparation:** This work involved excavating beach sand to ensure clear access for drilling pile holes and to allow the concrete panels to be set on stable rock material. It required operating heavy equipment on the beach, including an excavator, an articulating front-end loader, a back hoe and a 4-wheeled all-terrain vehicle. This equipment accessed the beach via a temporary sand ramp constructed from local beach sand.
- **Replacing the caisson walls:** Venoco replaced the entire 70-foot wide seaward wall and approximately 7 feet of the eastward and 14 feet of the westward side wall adjacent to the seaward wall. This included installing a drill rig on the top of the caisson, using an excavator to clear sand away from the work area, drilling holes into the underlying bedrock for 16 pilings, placing those pilings, and then placing 60 pre-cast concrete panels as the new outer "face" of the caisson wall. The concrete panels were keyed into the underlying bedrock. After the panels were in place, grout and concrete was poured between the old and new walls. The resulting wall is approximately 77-feet wide.
- **Piling Removal:** Forty redundant piles beneath Pier 421-1 and 32 redundant piles beneath Pier 421-2 were removed by making thermal cuts or using a metal sheer to cut the pile at the point of attachment with the pier cross beams and above the sand level. The sand around the pile was then excavated and a large excavator was used to pull out the pile.

4.3 Other Agency Approvals. The work was subject to conditions imposed by the State Lands Commission in its approvals dated September 16, 2010, and December 17, 2010. The Regional Water Quality Control Board issued approvals for the project on November 18, 2010, and December 23, 2010. The City of Goleta also issued two emergency permits for portions of the work in its jurisdiction on October 22, 2010, and January 26, 2011. Finally, the Army Corps of Engineers issued approvals for the project on November 29, 2010, and February 2, 2011.

4.4 Coastal Act Issues

4.4.1 Fill in Coastal Waters

Coastal Act section 30233(a) states:

- (a) *The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division, where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:*
 - (1) *New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities.*
 - (2) *Maintaining existing, or restoring previously dredged, depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.*
 - (3) *In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities.*
 - (4) *Incidental public service purposes, including but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines.*
 - (5) *Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas.*
 - (6) *Restoration purposes.*
 - (7) *Nature study, aquaculture, or similar resource dependent activities.*

Coastal Act Section 30108.2 defines “fill” as “earth or any other substance or material ... placed in a submerged area.” In addition, the excavation, removal, or any other artificial disturbance of any sediment or soil in open coastal waters or wetlands constitutes an act of “dredging” such material. As part of this project, Venoco has undertaken both “fill” and “dredging” of open coastal waters as defined by the Coastal Act.

The installation of steel piles, the placement of concrete panels, grout, and slurry into the submerged shore zone and the backfilling of the holes excavated to remove the redundant piles beneath the piers constitute “fill” of open coastal waters, as that term is defined in the Coastal Act. In addition, the excavation of beach sand required during both phases of the project

constitute “dredging” of open coastal waters as defined in the Coastal Act. The project did not affect a wetland area that is adjacent to the pier.²

The Commission may authorize a project that includes filling or dredging of open coastal waters if the project meets the three tests of Coastal Act section 30233. The first test requires that the proposed activity fit within one of eight categories of uses described in Coastal Act section 30233(a)(1)-(7). The second test requires that there be no feasible less environmentally damaging alternative. The third and final test mandates that feasible mitigation measures be provided to minimize any of the project’s adverse environmental effects.

4.4.1.1 *Allowable Use*

The overall purpose of the project was two-fold: (1) to repair and secure a damaged caisson structure to ensure its structural integrity and to prevent a release of residual petroleum hydrocarbons (oil or gas) into marine waters and onto the beach and (2) to mitigate a threat to public safety by removing 72 redundant, corroding piles beneath both 421 piers. Due to the enlargement of the existing project footprint (approximately two feet seaward) and the deposit of additional fill in the coastal zone, the repair project constitutes an “expanded energy” project, and is therefore an allowable use under Coastal Act section 30233(a)(1). Therefore, the Commission finds that the project meets the allowable use test for fill of open coastal waters under Coastal Act section 30233(a).

4.4.1.2 *Least Environmentally Damaging Feasible Alternatives*

The Commission must further find that there is no feasible less environmentally damaging alternative to placing fill and/or dredging in open coastal waters. Coastal Act section 30108 defines “feasible” as “...capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors.” Aside from the proposed (and carried out) alternative, Venoco had two feasible alternative wall repair options: (1) place 800 cubic yards of riprap rather than install a new wall face, and (2) access and repair the pier from the beach. Venoco rejected the first alternative because the environmental impacts of dumping riprap on the beach are greater than the proposed project (e.g., larger project footprint and substantially more truck trips and heavy equipment on the beach) and because it was not the best, permanent engineering solution to protect the exposed caisson structure from severe storms. The second alternative would also have required additional heavy equipment and workers on the beach and again, on balance, was more environmentally damaging as compared to the proposed project. Moreover, daily tidal swings would only allow a limited amount of time during the day to repair the pier before the area became submerged, thus delaying completion of the project.

Venoco also examined alternatives for removing the corroded, redundant piles beneath Piers 421-1 and 421-2: (1) making external cuts in the piles two to four feet below sand grade and monitoring to ensure the stubs remained buried, (2) making external cuts five feet below sand

² As a precaution, Venoco cordoned off the wetland area with orange mesh construction fencing. Biological monitors also monitored construction activities daily to make sure the wetland area was avoided.

grade, and (3) removing the piles in their entirety using either a hydraulic jack or an excavator to pull the pile from the bedrock. Venoco chose to pursue option (3) using an excavator because it allowed for total removal of the piles, therefore eliminating the possibility that the piles would become exposed at some point in the future and create a public safety hazard. In addition, using an excavator to pull the piles out of the bedrock was less damaging to the surrounding beach environment than using a hydraulic jack, largely due to the significant noise and vibration effects from the jack.

For the reasons described above, the Commission finds that the proposed project is the least environmentally damaging feasible alternative and therefore the second test of Coastal Act section 30233(a) is satisfied.

4.4.1.3 *Project Impacts Mitigated to the Maximum Extent Feasible*

The final requirement of Coastal Act section 30233(a) is that filling and dredging of coastal waters may be permitted if feasible mitigation measures have been provided to minimize the adverse environmental impacts. In other sections of this report, the Commission has described the measures proposed by Venoco and those required by Emergency Permit E-11-001-G (see Appendix B), which were implemented during construction that avoided or minimized the marine resource, water quality and public access impacts that could have been caused by the fill and dredging activities. Those measures were successful at avoiding significant adverse coastal resource effects, as documented by the Commission and City's independent environmental monitor. The small amount of fill and dredging required for the wall repair and removal of old pilings will not result in ongoing adverse marine resource, water quality or other coastal resource or use impacts.

The Commission thus finds that the impacts of the fill and dredging were mitigated to the maximum extent feasible and the project meets the third and final test of Coastal Act section 30233(a).

Conclusion

As discussed above, the repair project satisfies the three tests of Coastal Act section 30233(a).

4.4.2 Marine Resources/Water Quality

Coastal Act section 30230 states:

Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

Coastal Act section 30231 states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

The caisson repair portion of the project consisted of repairing an existing oil and gas production-related structure to prevent future leakage of any hydrocarbon materials into the coastal marine environment. The main purpose was to protect biological resources from potential adverse effects. Project activities involved driving steel pilings into areas of the beach and surf zone and installing concrete panels, keyed into the bedrock below. The addition to the pier did not substantially enlarge the footprint of the existing structure into coastal waters, and it does not prevent movement of any resident or migratory fish or wildlife species. Construction activities did, however, create the potential for impacts to marine resources and water quality.

For example, the noise created by pile driving during the project had the potential to adversely affect marine mammals. To prevent damaging effects to marine mammals, Conditions 25-27 of Emergency Permit E-11-001-G required Venoco to establish a 500-foot radius stop-work zone³ that was monitored by a project biologist and to perform an initial ramp-up period during pile-driving activities; in addition, pile-driving activities had to be conducted during periods of low tide to the maximum extent feasible. Although the County-approved environmental monitor on site had authority to suspend pile driving if a mammal passed within the safety zone, no mammals were observed within the safety zone during the pile-driving phase of work. Monitors did record the presence of small numbers of bottlenose dolphins, harbor seals and sea lions outside the 500 foot protection zone during the project, but they did not observe changes in the movement or behavior that would indicate any reaction to pile driving noise. Therefore, although noise and vibrations resulted from the project, which could have hindered the normal activities of wildlife in the area, the project was conditioned to minimize these effects, and monitors observed no apparent effect on marine life from the activities.

Construction activities on the beach at Piers 421-1 and 421-2 continued into April and thus had the potential to adversely affect grunion runs predicted by the California Department of Fish and Game for March and April. To avoid potential impacts to grunions, Condition 16 of Emergency Permit E-11-001-G required that a qualified biologist be on-site during the predicted grunion runs, as well as the night before and after, to determine if grunions were present on site. If adult grunions were observed on the beach, project activities that could impact the grunion incubation areas were to be halted for two weeks. Three potential grunion runs were monitored in March

³ This zone size was chosen based on a National Marine Fisheries Service criterion of 160 dB (received level, as transmitted through water) as the level at which disturbance or harassment of marine mammals has been shown to occur from impulsive sounds like hammer pile driving. Although a hammer-type pile driver was not ultimately used for this project (a quieter hydraulic one was), the 500 foot safety zone for marine mammals was maintained throughout the project.

and April but no adult grunions were observed and therefore no impacts were incurred. The environmental monitor/biologist noted that the lack of sand on the beach during the predicted runs made it highly unlikely that grunions would choose the project location to spawn. In mid-April cliff swallows began to show an interest in nesting in the Pier 421-1 structure where pile removal activities were ongoing. Venoco, in consultation with the environmental monitor, hung tarps from the side of the Pier to temporarily discourage the swallows from nesting on the pier where they could have been subject to adverse impacts from construction activities. As a result, no impacts to the swallows were observed by the environmental monitor. Once construction activities were completed, the environmental monitor observed approximately twenty pairs of swallows successfully building nests under the Pier.

Project activities also created the potential for water quality impacts. Both caisson repair and piling removal activities provided the opportunity for the accidental release of foreign materials, such as drill cuttings, paint chips, grout and concrete into marine waters. Condition 23 of Emergency Permit E-11-001-G required Venoco to take measures to achieve 100% containment of such material. Venoco recovered and recycled or disposed of all drill cuttings and paint chips. In addition, a vacuum truck recovered contaminated water displaced from the soldier pile holes by concrete installation. Finally, Venoco used plastic sheeting to contain any grout at the bottom of the caisson wall. The environmental monitor observed the implementation of these measures and concluded that Venoco successfully contained these materials during construction, therefore preventing impacts to marine waters from these activities.

Another possible impact to water quality was the discovery of a small discharge of an oily substance leaking from small cracks on the west side of the original south-facing caisson wall. An environmental monitor estimated the leakage at approximately one cup of oily liquid per day on average. The leak was on the exposed face of the south wall and was therefore submerged except at low tides. Venoco attempted to stop the leak with “splash zone,” a two part epoxy-like material that hardens in water. This material was not able to stop the leak completely; however, it did appear to temporarily reduce the discharge of oily material. After examining the leak, the environmental monitor deemed any impacts to water quality insignificant because the fluid was of a small amount (one cup/day) and negligible in comparison to the large amounts of natural hydrocarbon seepage occurring in the area. A very similar leak was discovered during replacement of the caisson wall at Pier 421-1 and was not shown to have any short or long-term detrimental water quality effects. After an inspection by the State Lands Commission and the California Office of Oil Spill Prevention and Response, all involved parties agreed that installing the new caisson wall as quickly as possible was the best course of action. Once the new caisson wall was installed, and the space between the old and new walls filled in with concrete, the leaking cracks were essentially sealed; no further leakage from the new caisson wall has been observed.

Thus, no ongoing adverse impacts to marine resources or water quality are occurring due to the presence of the new wall and other project-related activities, and the Commission concludes that the project as mitigated maintains the biological productivity and quality of coastal waters and minimizes adverse effects on habitat and species as required by Coastal Act sections 30230 and 30231. The project is therefore consistent with Coastal Act sections 30230 and 30231.

4.4.3 Oil Spills

Coastal Act section 30232 states:

Protection against the spillage of crude oil, gas, petroleum products, or hazardous substances shall be provided in relation to any development or transportation of such materials. Effective containment and cleanup facilities and procedures shall be provided for accidental spills that do occur.

One of the main purposes of the caisson wall repair project was to prevent an imminent threat of an oil spill from occurring at the shore zone wells. While no major oil spills occurred prior to, during, or as a result of the project, a very small amount of hydrocarbon fluid, (approximately one cup/day)⁴ was released from the exposed inner caisson wall onto the beach area between the old and new walls during construction activities, as explained above in section 4.4.2. However, because of the small size and duration of the leakage, coastal and marine resources were not adversely impacted. The response measures used, i.e. applying a topical sealant to the inner caisson wall, although only marginally effective, were intended to provide effective containment and mitigate resource impacts. Consultation with the State Lands Commission (“SLC”) and the California Office of Oil Spill Prevention and Response concluded that the best course of action was to construct the new caisson wall as quickly as possible. The permanent sealing of the old wall by the concrete slurry and the new caisson wall effectively stopped the leakage and is anticipated to protect the area from further oil spills.

Oil Spill Prevention

The first test of Coastal Act section 30232 requires Venoco to provide “protection against the spillage of crude oil, gas, petroleum products, or hazardous substances...” Emergency Permit Conditions 31 and 32 required Venoco to refuel equipment away from the beach and only in areas where oil spill prevention equipment was in place and to install protective barriers under all heavy equipment during construction activities to insure that fuel or fluid leaks did not contaminate soil, coastal waters, or groundwater at the site. Condition 33 required Venoco to inspect all equipment daily for fuel or fluid leaks and, if any leaks were found, to repair them immediately. No equipment leaks were reported during the project. Venoco is also required by the SLC to inspect the structures daily for fluid leaks and if leaks occur, to install protective barriers and notify emergency cleanup personnel. With these measures in place, the Commission finds the project consistent with the first test of Coastal Act section 30232.

Oil Spill Response

The second test of Coastal Act section 30232 requires Venoco to provide “effective containment and cleanup” equipment for accidental spills that do occur. The Commission has historically defined “effective” to mean the “ability to keep oil from adversely impacting shoreline resources.” Condition 17 required Venoco and its contractors to notify staff in the event of a spill and to adhere to measures in the project-specific Oil Spill Contingency Plan (OSCP) that

⁴ As measured by the Santa Barbara County Environmental Quality Assurance Program Monitor, John Storrer.

was reviewed by the Commission staff prior to project commencement. The OSCP and Emergency Permit Conditions 29 and 30 required Venoco to maintain spill response equipment at or near the project site, including a vacuum truck, available for immediate response. Venoco maintains a trailer at the adjacent Ellwood Onshore Facility containing the necessary spill response equipment for a minor oil spill at State Lease 421, which was available during the pier repair operations. For secondary response, Venoco has a contract with the California approved oil spill response corporation, Clean Seas, LLC, which has demonstrated the capability to be on-site within one hour of notification.

As discussed above, during the construction activities a minor amount of oily fluid was released from the exposed inner caisson wall at a rate of approximately one cup/day. Venoco applied a topical sealant in an attempt to stop the leak until it could be sealed by the new wall face. Due to the small amount of oil leaked, and the short duration of the leak, the environmental monitor did not observe any adverse impacts to marine waters, beach users, or other coastal resources. For these reasons, the Commission has determined that the response methods and equipment that were in place for this project are consistent with the second test of Section 30232.

For the reasons discussed above, the Commission finds the project consistent with the oil spill prevention and response requirements of Coastal Act section 30232.

4.4.4 Hazards

Coastal Act section 30253 states:

New development shall:

- (1) Minimize risks to life and property in areas of high geologic, flood, and fire hazard.*
- (2) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.*

None of the activities (the pile-driving activity, the construction of the wall face in the shore zone, and the pile removal) at either pier contributed to erosion or geologic instability of the beach area. All excavation activities were localized and did not impair the structural integrity of the piers or contribute to erosion or geologic instability. Any remaining changes in topography of the beach area were quickly restored through natural wave and tidal action. In addition, the nearby coastal bluff face and toe of the bluff were not altered and the geologic stability of the bluff area was maintained.

Venoco, in coordination with agency staffs, designed the pier repair project to ensure long-lasting structural integrity of the pier (e.g., driving new steel pilings and keying the concrete panels into the bedrock); specifically, the repairs were designed to allow the seaward wall to sustain natural impacts over the next 40 years, including a 100-year storm event. However, future damage to the structure as a whole may still result from intense flood and oceanographic

conditions. Winter storm conditions can generate waves in the project area that have the potential to cause further structural damage to the aging piers. Therefore, the caisson walls could still be at risk from strong tidal action and large waves during winter storms.

The Commission is therefore requiring in **Special Condition 1** that by accepting this permit the applicant (a) acknowledges and agrees that the site may be subject to hazards from liquefaction, tsunamis, storm waves, surges, erosion, landslide, flooding, and wildfire; (b) acknowledges and agrees to assume the risks to the applicant and the property of injury and damage from such hazards in connection with this permitted development; (c) unconditionally waives any claim of damage or liability against the Commission, its officers, agents, and employees for injury or damage from such hazards; and (d) agrees to indemnify and hold harmless the Commission, its officers, agents, and employees with respect to the Commission's approval of the project against any and all liability, claims, demands, damages, costs (including costs and fees incurred in defense of such claims), expenses, and amounts paid in settlement arising from any injury or damage due to such hazards.

In **Special Condition 2**, the Commission is requiring the applicant to submit to the Executive Director for review and approval documentation demonstrating that the applicant has executed and recorded a lease restriction, in a form and content acceptable to the Executive Director, within 45 days of the Commission's approval of the coastal development permit. The lease restriction shall be recorded against the applicant's leasehold interest in the property and shall include the requirements of Special Condition #1 as restrictions on its leasehold interest.

As designed and conditioned, the Commission finds that the repair and maintenance of the walls and pilings would not "contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area" and is therefore consistent with Coastal Act section 30253.

4.4.5 Public Access and Recreation

Coastal Act section 30210 states:

In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Coastal Act section 30211 states:

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Coastal Act section 30220 states:

Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.

Coastal Act section 30240(b) states:

Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.

People commonly jog and walk along the section of Ellwood Beach adjacent to State Lease 421. Users who frequent the beach come from nearby communities as well the Bacara Resort, which lies directly west of the lease. Existing access is available to the project site along the beach seaward of the pier and underneath the pier. The access road to the project site used by project personnel and to transport construction equipment to the project site is fenced off from public access, but does cross a portion of the Sandpiper golf course.

Any impacts to beach access as a result of the pier repair were temporary. During the repair, beach users would have been prevented from walking directly in front of the pier while construction was underway and after hours due to flagging around the construction area. Because the seaward wall is usually submerged, except during periods of very low tide, the repair activity would not have greatly affected public access along the front of the pier. For most of the project, passersby were allowed to pass underneath the pier as they would normally. This passage was only restricted occasionally by safety personnel when construction activities posed a safety risk, such as when equipment passed overhead. Due to early start times and minimal traffic at the project site, impacts to golf course users were negligible.

Venoco addressed public safety concerns by placing guards at the site during project activities to monitor and safely direct beach pedestrian traffic when necessary. Construction activities likely deterred people from using this area of the beach during weekdays due to the presence of equipment and increased noise. To remove the potential risk to public safety, equipment was returned to the lay-down area at the nearby Ellwood Onshore Facility at the end of each workday and project-related debris was promptly removed from the site and disposed.

The slight seaward expansion of the existing pier due to the wall repair does not affect public access to or use of the beach area. Recreational users engaging in water-oriented activities such as swimming and surfing are infrequent in this area and were not restricted during repair activities, nor are they now restricted as a result of the presence of the new wall.

The Commission finds that although the project interfered with the quality of the recreational experience along this section of Ellwood Beach during the eight months of construction, the construction period avoided the peak summer recreation period, access restrictions are allowed under the Coastal Act to protect public safety, and the project's access impacts were temporary and minimized by implementation of the above-described measures. The Commission thus finds the project consistent with Coastal Act sections 30210, 30211, 30220, and 30240(b).

4.4.6 Air Quality

Coastal Act section 30253(3) states in part:

New development shall:

...(3) Be consistent with requirements imposed by an air pollution control district or the State Air Resources Control Board as to each particular development.

Venoco's State Lease 421 piers are located within the South Central Coast Air Basin in the South Coast portion of Santa Barbara County and within the County of Santa Barbara's Air Pollution Control District ("APCD"). APCD regulations do not require a permit for portable internal combustion equipment (i.e., equipment used in construction projects) as long as the equipment is properly registered with the Statewide Registration Program and the total emissions from construction equipment used to construct a stationary source exceed 25 tons of any pollutant. Venoco followed the appropriate protocol for registering all construction equipment with the Statewide Registration Program and estimated total emission at well under 25 tons for any pollutant. Thus a permit and/or offsets were not required by the APCD.

The County's emergency permit also required Venoco to minimize the amount of dust generated by grading, clearing, excavation, and transportation of cut and fill materials by spraying water as necessary. However, during project activities, the environmental monitor determined that ambient moisture from precipitation was sufficient to minimize dust generation and thus, additional water application was not necessary.

The Commission thus finds the project was carried out consistent with the rules and requirements of the APCD and is therefore consistent with Coastal Act section 30253(3).

5.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT

Section 13096 of the Commission's administrative regulations requires Commission approval of coastal development permit applications to be supported by a finding showing the application, as modified by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act ("CEQA"). Section 21080.5(d)(2)(A) of the CEQA prohibits approval of a proposed development if there are feasible alternatives or feasible mitigation measures available that would substantially lessen any significant impacts that the activity may have on the environment. As described herein, the Commission finds that the project, in combination with conditions of approval, includes measures necessary to avoid any significant environmental effects under the Coastal Act. It also finds that there were no less environmentally damaging feasible alternatives to the proposed project. Therefore, the Commission finds that the proposed project is consistent with the CEQA.

APPENDIX A

Substantive File Documents

Venoco's Coastal Development Permit Application E-11-011.

Emergency Permit E-11-001-G, issued by the Executive Director of the California Coastal Commission on January 24, 2011.

City of Goleta Emergency Permit 10-120-EMP.

Venoco PRC 421-2 Repair Wall Project - Spill Contingency Plan. October 2010.

APPENDIX B

Emergency Permit

January 24, 2011

Applicant: Venoco, Inc.

Emergency Permit No.: E-11-001-G

Project Description: Replace damaged caisson wall and remove 72 damaged pier pilings.

Location of Emergency Work: Shoreline of the Santa Barbara Channel, in the City of Goleta, Santa Barbara County, at Piers 421-1 and 421-2 (State Lands Lease No. 421).

Background: Venoco holds State Lands Commission Oil and Gas Lease 421 in Santa Barbara County. Structures at the lease site include two piers that extend out from the coastal bluff into nearshore waters. Each pier includes a concrete caisson approximately 68 feet wide, 42 feet long, and 16 feet high that protects its outer perimeter. Pier 421-1 surrounds and protects a capped water injection well and Pier 421-2 surrounds and protects a capped oil well. In 2004, part of the outer wall of the Pier 421-1 caisson was replaced. Currently, the caisson wall surrounding Pier 421-2 is in need of repair due to damage from continual wave action and storm events from last winter. In addition, the original pilings under both the 421-1 and 421-2 piers have significantly corroded over the years, causing potential public health, safety and environmental concerns.

Note: This emergency permit is for repair and maintenance work at Piers 421-1 and 421-2. Venoco is separately proposing to return these wells to production; the work proposed in this emergency permit, however, must be completed immediately, regardless of the outcome of this other proposed action.

History: The wells were originally put into production in 1949. Both wells have been out of service since 1994 after oil leaked from one of the delivery pipelines. In November 2000, an inspection revealed a gas leak from the injection well. In responding to this leak, Venoco found other parts of the two wells, piers, and associated infrastructure that were corroded or in need of repair. Several agencies, including the Coastal Commission, issued permits or required Venoco to take immediate action to close the wells and repair the related infrastructure. Over the next few months, after several project and permit modifications, Venoco completed the repairs.

During ongoing inspections after those repairs, Venoco noted damage to the outer caisson wall of Pier 421-1. Venoco was in the process of applying for a CDP to address the damage when on January 19, 2004, after several severe storms, an approximately 15' x 20' section of the outer caisson wall collapsed onto the beach. On August 24, 2004, based on the recommendation of the State Land Commission, the Coastal Commission issued Emergency Permit E-04-013-G for the

proposed work on Pier 421-1. The Commission issued a follow-up CDP permit, making the emergency work permanent, on July 11, 2007.

In 2010, inspections of the 421-2 pier revealed that significant new damage to the outer perimeter wall had caused the southwest corner of the inner caisson structure to be fully exposed, making it vulnerable to future storm loading and wave action. On September 16, 2010, Venoco submitted a CDP application for the repair of the 421-2 caisson. On September 27, 2010, the Executive Officer of the State Lands Commission sent a letter to the Coastal Commission staff stating that recent field observations and the annual structural inspection review led to the conclusion that the need for wall replacement is urgent and must begin as soon as possible to before the commencement of the winter storm season. He urged the Commission to approve an emergency permit to avert the potential collapse of the caisson structure and the release of oil into coastal waters. On that same day, Venoco requested an emergency permit from the Coastal Commission for the proposed work. On October 21, 2010, the Executive Director of the Coastal Commission issued Emergency Permit E-10-013-G for the replacement of the caisson walls at Pier 421-2. Subsequent to this approval, the State Lands Commission directed Venoco to remove the original piles under both 421 piers to address potential public safety, health and environmental concerns. On December 20, 2010, Venoco requested to conduct additional work under the emergency permit issued in November 2010. This emergency permit wholly supersedes and replaces Emergency Permit E-10-013-G.

Work Proposed: The work consists of (1) replacing the seaward caisson wall and parts of the two side caisson walls at Pier 421-2, and (2) removing the 72 original pilings beneath Piers 421-1 and 421-2. For the first portion of the project, the face of the new walls will be located about two feet seaward of the existing wall face. The walls will consist of concrete panels supported by internal steel pilings at 6 foot spacing with concrete grout between the old and the new walls. A similar retrofit design was used for the repair of the 421-1 caisson. For the second portion of the project, Venoco will remove forty redundant piles beneath pier 421-1 and 32 redundant piles beneath pier 421-2 by making external cuts below the sand grade.

Most of the work will be done from the top of the existing pier and caisson structure; however, some work will require using heavy equipment on the beach to excavate sand to prepare the substrate for installing the new pilings and concrete panels, and for portions of the original piling removal work. Equipment will access the beach via a temporary ramp at the PRC 421 west end access road.

The project is expected to take approximately 7 months. It will be carried out from 7 a.m. to 7 p.m. Mondays through Saturdays, although some staging or delivery to the work site may occur before or after those times. There will be approximately 74 truck trips over the 7 month work period by semi-trucks, concrete delivery trucks, dump trucks, vacuum trucks and similar heavy equipment.

The project is more fully described in Venoco's submittals of September 16, 2010 and December 20, 2010. Following is a summary of the major work components:

- **Staging:** Venoco will stage construction and repair equipment on the private access road that connects their Ellwood Onshore Facility with the 421 piers. Access from the staging area to the caisson is via a temporary ramp at the PRC 421 west end access road.
- **Strengthening the caisson:** To minimize the amount of work and equipment on the beach, Venoco has proposed doing most of the repair work from the top of the caisson. This may require strengthening the caisson so it can support a 45-ton crane and pile driver. This work would include driving twenty pilings in the interior of the caisson and installing steel support flooring on top of these pilings. If this support work becomes necessary, plans approved by a registered engineer will be submitted to the Coastal Commission and the State Lands Commission for review.
- **Site preparation:** This work involves excavating beach sand to ensure clear access for drilling pile holes and to allow the concrete panels to be set on stable rock material. It will require operating heavy equipment on the beach. Venoco will use an excavator, an articulating front-end loader, a back hoe and a 4-wheeled all-terrain vehicle, and will gain access to the beach through a temporary sand ramp to be constructed from local beach sand. The ramp will reach from the beach to the top of an existing riprap wall. There are some intact portions of an existing ramp at this location, which had been used in the past for beach access for similar equipment.
- **Replacing the caisson walls:** The walls to be replaced include the entire 70-foot wide seaward wall and approximately 7 feet of the eastward and 14 feet of the westward side wall adjacent to the seaward wall. Work includes installing a drill rig on the top of the caisson, using an excavator to clear sand away from the work area, drilling holes into the underlying bedrock for 16 pilings, placing those pilings, and then placing 75 pre-cast concrete panels as the new outer “face” of the caisson wall. The concrete panels will be keyed into the underlying bedrock. After the panels are in place, grout and concrete will be poured between the old and new walls. The resulting wall will be approximately 75-feet wide. Equipment needed for this work include 4 semi trucks to deliver the equipment, 8 waste bins, a loader to load the bins, 30 concrete trucks, a concrete pump truck and 15 vacuum trucks to dispose of seawater.
- **Piling Removal:** Forty redundant piles beneath pier 421-1 and 32 redundant piles beneath pier 421-2 will be removed by making thermal cuts at the point of attachment with the pier cross beams and 2 to 4 feet below the sand level. Venoco will attempt to make the cuts at 4 feet (or greater) below the sand level, but, due to physical constraints, may not be able to achieve this depth at all locations. At a minimum, cuts will be made at 2 feet below the sand level. To make the cuts, sand will be removed to the appropriate depth around the piling primarily through hand digging, although a small backhoe/loader may be used to support the digging operations. If seawater is encountered, a gasoline or air-powered pump will be used to remove the water. The piling will then be cut, dressed and capped. After construction is complete, Venoco will monitor under the piers. If a cut piling stub becomes exposed, Venoco will rebury it using hand tools as soon as possible.

Other Approvals: The work will also be subject to conditions imposed by the State Lands Commission in its approvals dated September 16, 2010 and December 17, 2010. The Regional

Water Quality Control Board issued approvals for the project on November 18, 2010 and December 23, 2010. The City of Goleta also issued an emergency permit for portions of the work in its jurisdiction on November 2, 2010.

Executive Director's Determination: This permit constitutes approval of the emergency work you or your representatives have requested to undertake at the location listed above. I understand from your information that an unexpected occurrence in the form of storm damage to Pier 421-1 and Pier 421-2 on State Lease 421 that if not repaired quickly could result in a release of oil onto the beach and into marine waters requires immediate action to prevent or mitigate loss or damage to life, health, property or essential public services, and is therefore necessary to avert an "emergency" within the meaning of that term as defined in the Commission's administrative regulations. (14 Cal. Code of Regulations (CCR) § 13009).

The Executive Director hereby finds that:

- (a) An emergency exists which requires action more quickly than permitted by the procedures for administrative or ordinary permits and the development can and will be completed by May 1, 2011, unless extended pursuant to the terms of the permit;
- (b) Public comment on the proposed emergency action has been reviewed as time allows; and
- (c) As conditioned, the proposed work would be consistent with the requirements of the California Coastal Act of 1976.

Therefore, pursuant to authority conferred by Public Resources Code § 30624 and 14 CCR §§ 13136 – 13143, I hereby grant a coastal development permit for the proposed work, subject to the attached conditions.

Very Truly Yours,

PETER M. DOUGLAS
Executive Director

STANDARD CONDITIONS

1. This permit is not valid until a copy of the permit is signed by the permittee or authorized agent, acknowledging receipt of the permit and the acceptance of the terms and conditions, is returned to the Commission office.
2. The authorization conferred by this emergency permit to conduct the activities described in the application shall expire on May 1, 2011 unless, at least 72 hours before that date,

Venoco applies for and the Executive Director grants for good cause, an extension of that expiration date.

3. Venoco shall not deviate from the operations, timing, or sequence of operations specified in the application unless and until authorized by the Executive Director.
4. Within 30 days of completing the onsite work, and no later than May 30, 2011, Venoco shall submit to the Coastal Commission a regular coastal development permit application to authorize the activities approved herein.
5. The deadlines contained in this permit may be extended for good cause by the Executive Director.

SPECIAL CONDITIONS

These conditions are in addition to those elements of the project included in Venoco's September 16, 2010 and December 20, 2010 submittals.

6. Conditions of the September 16, 2010 and December 17, 2010 State Lands Commission approvals are incorporated by reference as conditions of this emergency permit.
7. At least five days before starting work at the project site, Venoco shall provide for Executive Director review and approval of the construction schedule (as described in State Lands Commission Condition #5), and the names of the proposed biologist(s) and marine mammal monitor(s) to be used on the project. Venoco shall also provide a checklist that summarizes the requirements to comply with conditions of this permit, the timing of those requirements, and the personnel responsible for implementing those requirements. Work shall not begin without the Executive Director's written approval of each of the above project components.
8. There is a wetland adjacent to the road and the 421-2 Pier. No project activities shall occur within the wetland and Venoco shall mark the wetland boundary with temporary construction fencing.
9. Venoco shall stage construction and repair equipment on the private access road that connects the Ellwood Onshore Facility with the 421 piers or on other paved areas within the Ellwood Onshore Facility.
10. There is existing access along the beach seaward of the pier and underneath the pier. Public access shall be maintained during most of the project, except when the project activities may make access hazardous. Venoco shall have safety personnel to direct any beach users away from the project area when conditions are unsafe.
11. A biologist(s) approved by the Executive Director shall be present during all project operations when activities could result in harm to sensitive species or habitat. An approved marine mammal monitor(s) (see Special Conditions for Marine Mammal Protection for additional details) shall be present at all times during work on the pier or in the beach area.

The monitor(s) shall ensure that Venoco and its contractors fully comply with the conditions of this permit related to biological protection.

12. The approved biologist shall conduct two surveys immediately before work is scheduled to begin (i.e., the evening before and the morning of) for western snowy plovers. Work will not begin if plovers are present.
13. No more than 48 hours before starting work at the project site and within one week of completing project work, the approved biologist(s) shall photograph the project area, including the area of the beach ramp and the area above and below the 421-2 pier and shall describe in writing the condition of existing vegetation and landforms.
14. Venoco shall maintain a daily log of project activities that includes the observations of the approved biologist(s) and marine mammal monitor(s). They shall record in that log both written and photographic descriptions of any observed or potential effects of the project on species of concern. For damage to or destruction of vegetation caused by project activities, the biologist(s) shall note the affected species, date, time, location, size and area of impact, and the activity contributing to the damage or destruction. The log shall also include descriptions of any spills, releases, or debris that affects coastal waters and the beach area along with a description of the measures taken to address these events. Within thirty days of project completion, and no later than May 30, 2011, Venoco shall submit to the Executive Director a written report incorporating the above information and the pre- and post-disturbance photographs.
15. During the piling removal part of the project, Venoco shall record the depth to which each of the 72 pilings is cut. If a piling is cut to less than 4 feet in depth, Venoco shall also describe the physical constraints that prohibit the workers from reaching 4 feet. Within thirty days of project completion Venoco shall submit to the Executive Director a record of the information described above.
16. The grunion runs for 2011 are predicted to occur between March and August. If work proceeds into March 2011, the qualified biologist to be approved by the Executive Director will be at the project site during the predicted grunion runs as well as the night before and after. No project activities that would affect grunion incubation areas will occur until at least two weeks after any sightings of adult grunion at the project site.
17. If there is a spill or hazardous material release (including oil, fuel, other petroleum products, or any hazardous chemicals), or any disturbance or "take" or marine mammals, Venoco shall immediately contact Coastal Commission staff (Kate Huckelbridge at 415-396-9708, and for oil spills, Robin Blanchfield, at 415-904-5247) and the other contacts required in the project's spill plan or marine mammal monitoring plan, and shall provide via facsimile (415-904-5400) the daily log that fully describes the incident.

Construction Methods and Activities:

18. No fill beyond that described in the September 16, 2010 project plan (i.e., the footprint of the new caisson wall and the sand ramp to be built for beach access) shall be placed without additional written approval of the Executive Director. Other than in the immediate area of the ramp, the bluff face and toe of the bluff slope shall not be altered in any way.
19. No activities to widen, improve, or change the footprint of the Lease 421 access road shall occur without additional written approval of the Executive Director.
20. Best Management Practices (BMPs) for construction activities contained in the California Storm Water Best Management Practices Handbook (March 1993) or other BMPs shall be implemented to minimize erosion and limit sedimentation of receiving waters. At a minimum, silt fencing shall be installed and maintained along the access road for the duration of the project.
21. All construction work shall occur only between the hours of 7 a.m. and 7 p.m. Monday through Saturday. On no more than five days during the construction period, on days where the low tide occurs relatively late in the day, construction work may continue until 9 p.m.
22. Any night lighting shall be directed in such a way to reduce potential impacts to sensitive species and habitats while maintaining safe work conditions. Lighting shall be directed towards the pier and not towards any Environmentally Sensitive Habitat Area or any neighboring properties to the maximum extent feasible.
23. All feasible measures shall be taken to achieve 100% containment of the concrete, grout, and other similar materials used during the project as well as any water exposed to those materials. All excess materials not needed for the wall replacement and all water exposed to the concrete and grout shall be removed from the project area and properly disposed of offsite in an upland area. A vacuum truck shall be on site at all times during operations involving these materials.

Marine Mammal Protection:

24. This emergency permit does not authorize harassment, disturbance, or other forms of “take” of marine mammals.
25. During pile-driving work, Venoco shall station a National Marine Fisheries Service-approved marine mammal monitor at the project site. Pile driving shall be suspended if any marine mammals are observed within 500 feet of the project site and will not resume until the marine mammals are outside of that area. The marine mammal monitor(s) will be responsible for monitoring this zone during pile driving activities. In the event that the monitor(s) determine a mammal has entered this zone, the monitor(s) shall have the authority to suspend pile-driving activities until the mammal has passed outside of this zone.

26. An initial “ramp-up”, or gradual increase to full power, period shall occur when starting pile-driving activities to avoid potential impacts to marine mammals that may be undetected within the safety zone.
27. Venoco shall schedule pile-driving activities during periods of low tides to the maximum extent feasible to minimize potential noise impacts to marine mammals.
28. Any night lighting shall be directed in such a way to reduce potential impacts to marine mammals and other wildlife while maintaining safe work conditions. Lighting shall not be directed southward over the water. In addition, to minimize effects on neighboring properties, lighting shall not be directed westward.

Spill Prevention and Response:

29. During the project, Venoco shall have at the project site spill response equipment that may be needed to immediately respond to the maximum credible spill identified in the project-specific oil spill contingency plan dated October 14, 2010.
30. A vacuum truck shall either be on the project site or immediately deliverable for oil spill response during project operations.
31. Equipment shall not be refueled on the beach or in areas where adequate spill prevention and response measures are not in place.
32. Venoco shall install protective barriers under all heavy equipment to insure that fuel or fluid leaks do not contaminate soil, coastal waters, or groundwater.
33. Equipment shall be inspected daily for fuel or fluid leaks. Leaking equipment shall be repaired or replaced immediately.

Acknowledgment:

The undersigned permittee acknowledges receipt of this permit and agrees to abide by all terms and conditions thereof.

The undersigned permittee acknowledges that Government Code § 818.4 which states in pertinent part that “A public entity is not liable for injury caused by issuance ... of any permit ...” applies to this permit.

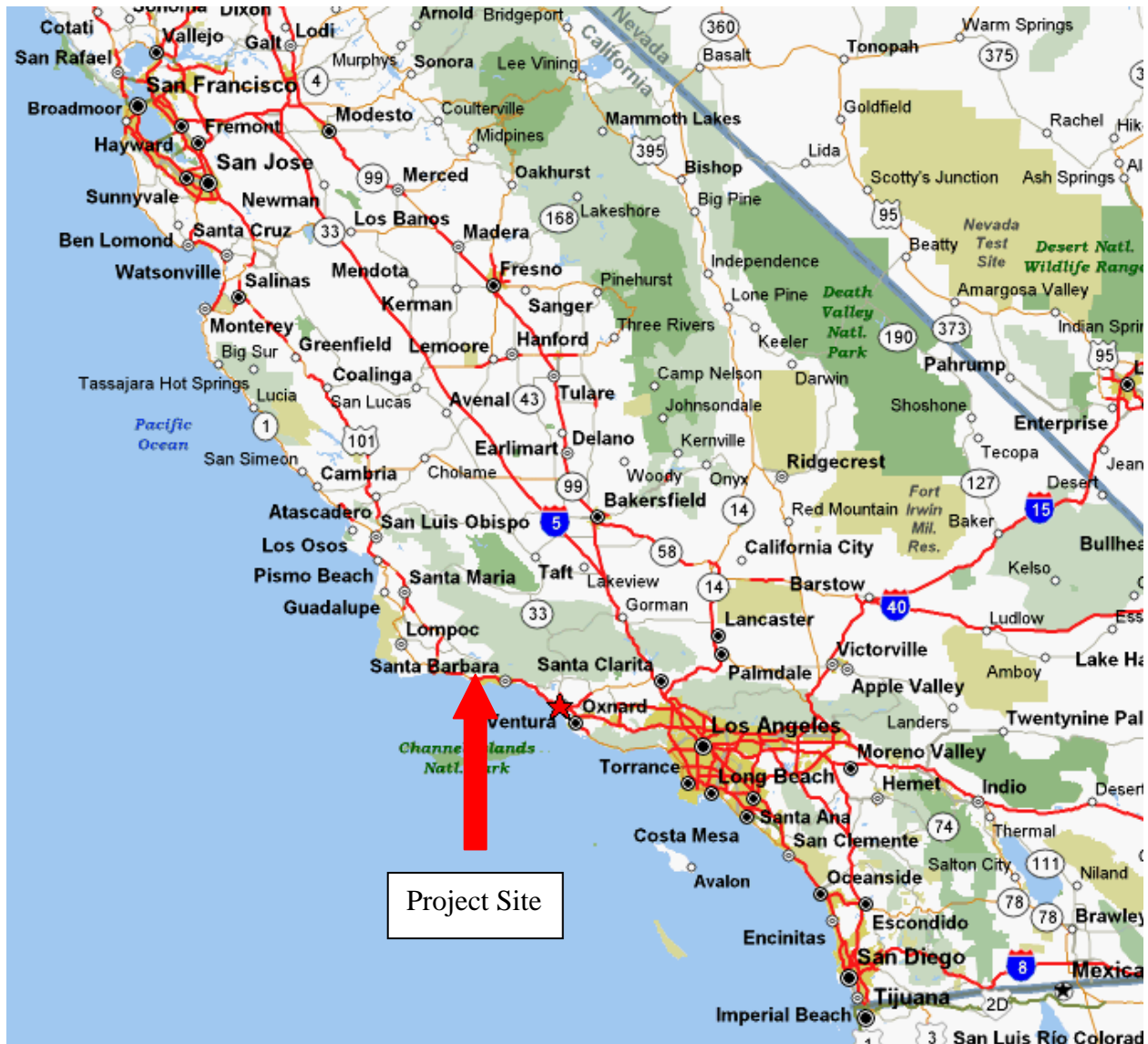
IMPORTANT: THIS PERMIT IS NOT VALID UNLESS AND UNTIL A COPY OF THE PERMIT WITH THE SIGNED ACKNOWLEDGMENT HAS BEEN RETURNED TO THE COMMISSION OFFICE. 14 CCR § 13158(a).

By: _____

Signature of Permittee

Date: _____

EXHIBIT 1



MAP OF SOUTHERN CALIFORNIA

EXHIBIT 2



Aerial view of State Lease 421, located in the City of Goleta, Santa Barbara County. The project site is surrounded by the Sandpiper Golf Course to the north, east and west sides and the Pacific Ocean to the south.

EXHIBIT 3



**Photo 1 - PRC 421-2 Caisson Wall
(looking north)**



**Photo 2 - PRC 421-2 Caisson Wall
(looking northeast)**



**Photo 3 - PRC 421-2 Caisson
Wall (looking west)**

EXHIBIT 4



Photo 1 - PRC 421-2 False Work Piles with Vibrating Driver



Photo 2 - PRC 421-2 Failed section of old wall necessitating 16th pile and panels



Photo 3 - PRC 421-2 Final Wall, (looking east)

EXHIBIT 5



**Photo 1 - PRC 421-2 Access Pier
Pile Removal**



**Photo 2 - PRC 421-1 Access Pier
Cutting Pile**



**Photo 3 - PRC 421-1 Access Pier
Final View, all piles removed, 421-
2 in background.**