

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
 SAN FRANCISCO, CA 94105-2219
 VOICE AND TDD (415) 904-5200

Page: 1 of 6
 Date: May 24, 1996

**ADMINISTRATIVE PERMIT**

Application No.: E-96-16
Applicant: Torch Operating Co.
Agent: Leray A. de Wit

W-12b

Project Location: In State waters along a 124-foot section of subsea pipelines (which run between federal Platform Irene and Torch's onshore processing facility near Lompoc), approximately 3 miles offshore Point Pedernales, Santa Barbara County, at a 165-foot water depth (Exhibit 1).

Project Description: [Note: This is a follow-up CDP application for work authorized under an Emergency CDP (E-96-13-G) issued by the Executive Director.]
 Address an anomaly involving a 124-foot section of freespanning, subsea pipeline (Exhibit 2) by conducting the following activities:

- Divers will hydrojet an area of seafloor substrate at either end of the pipeline freespan (an estimated 25 cubic yards of material total) to allow the pipeline to drop to the seafloor on its own;
- If hydrojetting does not cause the pipeline to drop on its own to the seafloor, divers will install ratchet-level hoists and galvanized chains at 10-foot intervals along the unsupported span of pipeline (which will be attached to another pipeline for support) and will apply tension on the hoists to pull the spanning pipeline into place.

EXECUTIVE DIRECTOR'S DETERMINATION: The findings for this determination, and for any special conditions, appear on subsequent pages.

NOTE: Public Resources Code Section 30624 provides that this permit shall not become effective until it is reported to the Commission at its next meeting. If one-third or more of the appointed membership of the Commission so request, the application will be removed from the administrative calendar and set for public hearing at a subsequent Commission meeting. Our office will notify you if such removal occurs.

This permit will be reported to the Commission at the following time and place:

Date: Wednesday, June 12, 1996
Time: Meeting begins at 10:00 A.M., Item 12b
Place: Marin County Board of Supervisors Chambers
 Marin County Civic Center, Administrative Building, Room 322
 San Rafael, California
 (415) 499-3220

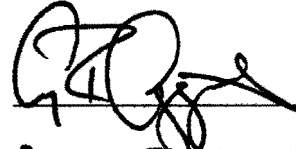
IMPORTANT - Before you may proceed with development, the following must occur:

Pursuant to 14 Cal. Admin. Code Sections 13150(b) and 13158, you must sign the enclosed duplicate copy acknowledging the permit's receipt and accepting its contents, including all conditions, and return it to our office. Following the Commission's meeting, and once we have received the signed acknowledgment and evidence of compliance with all special conditions, we will send you a Notice of Administrative Permit Effectiveness.

BEFORE YOU CAN PROCEED WITH DEVELOPMENT, YOU MUST HAVE RECEIVED BOTH YOUR ADMINISTRATIVE PERMIT AND THE NOTICE OF PERMIT EFFECTIVENESS FROM THIS OFFICE.

PETER DOUGLAS
Executive Director

By:



Title:

Coastal Program Analyst

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. Compliance. All development must occur in strict compliance with the proposal as set forth in the application for permit, subject to any special conditions set forth below. Any deviation from the approved plans must be reviewed and approved by the staff and may require Commission approval.
4. Interpretation. Any questions of intent of interpretation of any condition will be resolved by the Executive Director or the Commission.
5. Inspections. The Commission staff shall be allowed to inspect the site and the development during construction, subject to 24-hour advance notice.
6. 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.
7. 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.

EXECUTIVE DIRECTOR'S DETERMINATION (continued):

The Executive Director hereby determines that the proposed development is a category of development which, pursuant to P.R.C. Section 30624, qualifies for approval by the Executive Director through the issuance of an administrative permit. Subject to Standard and Special Conditions as attached, said development is in conformity with the provisions of Chapter 3 of the Coastal Act of 1976, will not prejudice the ability of the local government to prepare a Local Coastal Program that is in conformity with the provisions of Chapter 3, and will not have any significant impacts on the environment within the meaning of the California Environmental Quality Act. If located between the nearest public road and the sea, this development is in conformity with the public access and public recreation policies of Chapter 3.

FINDINGS FOR EXECUTIVE DIRECTOR'S DETERMINATION:

1. Project Description and Location.

Application No. E-96-16 is an application for a regular coastal development permit (CDP) for work authorized on an emergency basis by the Executive Director under Emergency Permit No. E-96-13-G (Exhibit 3). The Executive Director granted the emergency permit to Torch Operating Co. ("Torch") on April 8, 1996 to address and correct a pipeline-freespan anomaly which the California State Lands Commission (SLC) determined created the potential for pipeline-fatigue failure (i.e., a break in the pipeline) resulting from vortex-induced vibration (Exhibit 4). The project activities are being conducted under the SLC's directive pursuant to the applicant's lease. Torch has also obtained all necessary approvals of the U.S. Army Corps of Engineers (ACOE File No. 96-50291-MSJ).

After the emergency permit was granted by the Executive Director, and in accordance with the Coastal Commission's regulations, Torch submitted the current application to allow the project to be reviewed by the Commission and the public through the normal review process, even though the work has already been completed. The current application is subject to all of the provisions of the California Coastal Act and may be conditioned accordingly.

The project area is located in State waters just inside 3 miles offshore Point Pedernales, Santa Barbara County, at a 165-foot water depth (Exhibit 1). The pipelines are mostly buried in this area, and the seafloor contours are flat (the seafloor is sedimentary with no known hardbottom within the immediate project vicinity). The subject freespanning pipeline is part of a bundle of three subsea pipelines--one 8-inch produced gas line, one 8-inch idle water line, and one 20-inch oil line--that run between federal Platform Irene and Torch's onshore processing facility near Lompoc. The freespanning pipeline--which is either the gas line or the idle water line--abruptly leaves the pipeline bundle at an upward angle of approximately 10 to 12 degrees, and arches to an apex of about 6 feet off the seafloor; the span covers approximately 124 feet (Exhibit 2).

Project-related activities, which Torch anticipates will be completed within five days depending on sea and weather conditions, consist of the following:

- mobilize a diving support vessel at the Navy Pier in Santa Barbara;¹
- anchor the vessel above the pipeline with assistance from a 40-foot tug boat;
- deploy divers to locate and inspect the pipeline and to identify whether the freespanning pipeline is the gas or the water line;
- expose any pipeline damage by jetting back approximately 170 feet.

¹ Prior to mobilizing the vessels, Torch will publish a Local Notice to Mariners in accordance with the U.S. Coast Guard, and provide copies of the Notice to the Joint Oil/Fisheries Liaison Office and the Harbor Manager/Master at Santa Barbara and Morro Bay. This notification shall include: a project description and location, size and type of equipment that will work in the waterway, telephone number for onsite contact, and project schedule.

Torch believes that friction reduced by the jetting operation described above may allow the pipeline to drop to the seafloor on its own. If the jetting operation is not adequate, and if the pipe is determined to be in acceptable condition, the following additional work will be conducted:

- install ratchet level hoists at 10-foot intervals along the unsupported span (the bottom end of the hoist will be attached to the adjacent 20-inch oil pipeline);
- shut-in and bleed down the pipeline (if the subject line is the active gas pipeline);
- apply tension on the hoists to pull the spanning pipeline into place.

Final project activities include:

- install galvanized chain with binders and anodes at 10-foot intervals along the pipelines;
- demobilize the diving support vessel at the Navy Pier in Santa Barbara.

2. Marine Resources/Spills.

Coastal Act Section 30230 states:

Marine resources shall be maintained, enhanced, and where feasible, restored. Special protections 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 or marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

Coastal Act Section 30231 states in part:

The biological productivity and the quality of coastal waters...appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored....

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.

Issues examined in this permit application are the potential impacts of project operations on ocean substrate (activities such as vessel anchoring and hydrojetting will temporarily increase turbidity and upset benthic populations in the project area), and the potential for a pipeline rupture.

Measures that Torch will implement to reduce these potential impacts include the following: (1) if Torch finds that the freespanning pipeline is the gas line, the pipeline will be shut in during project operations; (2) the tug boat will assist during anchoring by taking each anchor from the diving support vessel, lowering the anchor vertically, and later retrieving the anchor vertically from the seafloor; and (3) a differential global positioning system will be used to ensure that anchors are

not placed in locations that could damage the pipelines. Sediment disturbance will be limited to that created by the limited number of anchor placements and the jetting operations within an estimated 2-foot-wide corridor along the ends of the exposed portion of the pipeline.

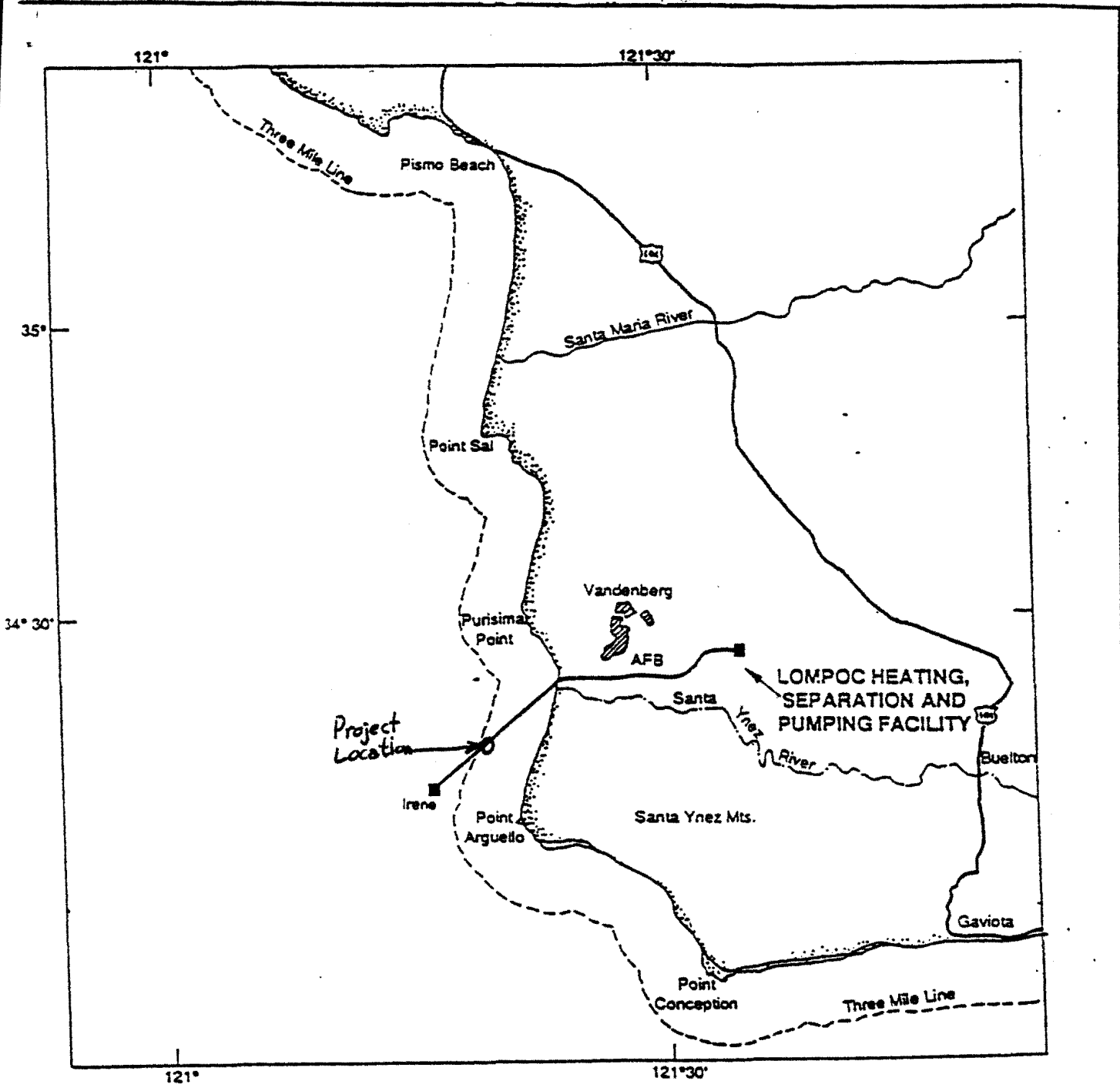
Eliminating the pipeline freespan is necessary to reduce the imminent threat that the subject pipeline could rupture. With implementation of the above measures, the short duration of project construction, and the small area affected, benthic communities disturbed by project operations are expected to move away from the disturbed areas and/or reestablish quickly. Normal ocean currents should also restore quickly any changes to water quality caused by turbidity. The Executive Director therefore finds that the project is consistent with Sections 30230, 30231, and 30232 of the Coastal Act.

ACKNOWLEDGMENT OF PERMIT RECEIPT/ACCEPTANCE OF CONDITIONS:

I/We acknowledge that I/we have received a copy of this permit and have accepted its contents including all conditions.

Applicant's Signature

Date of Signing

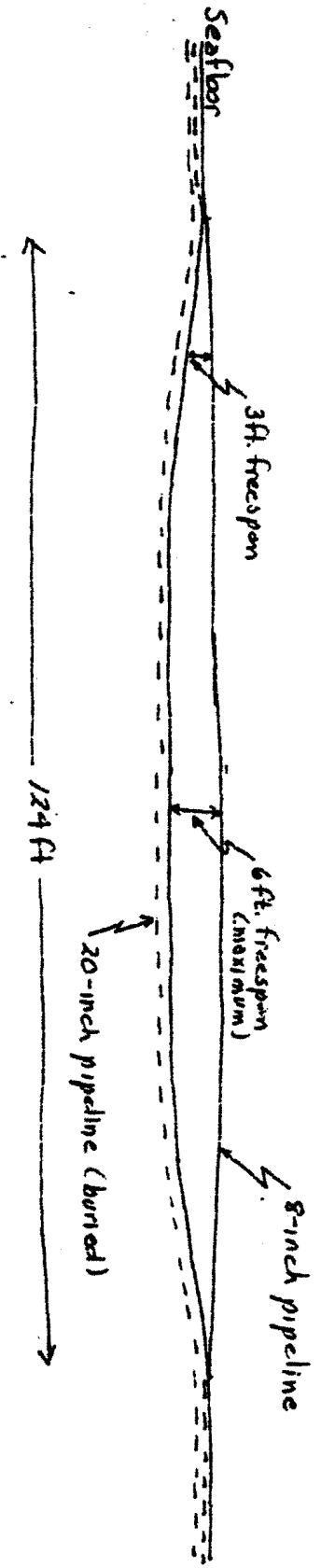


Approximate Scale In Miles

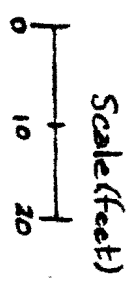
VICINITY MAP

20-INCH WET OIL PIPELINE
 TORCH OPERATING COMPANY
 SANTA MARIA, CALIFORNIA

EXHIBIT NO. 1
APPLICATION NO. E-96-16
California Coastal Commission



Cross-Section of Existing Condition
 Platform Irene-to-Shore Freespan Section
 for Torch Operating Company, Pt. Pedernales
 (Water Depth 145ft.)



Source: Video tape from A.P.M.

L.A. Davis, Geoscientist
 15 April 1996

EXHIBIT NO. 2
APPLICATION NO. E-96-16
California Coastal Commission

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
 SAN FRANCISCO, CA 94105-2219
 VOICE AND TDD (415) 904-5200



EMERGENCY PERMIT

Applicant: Torch Operating Company

April 8, 1996

Permit No.: E-96-13-G

Location of Emergency Work: In State waters just inside 3 miles offshore Point Pedernales, Santa Barbara County--specifically along the subsea pipelines that run between federal Platform Irene and Torch's onshore processing facility near Lompoc--at a water depth of 165 feet.

Work Proposed: Address and correct a problem involving a 124-foot section of freespanning subsea pipeline by conducting the following activities:²

- mobilize a diving support vessel at the Navy Pier in Santa Barbara;
- anchor the vessel above the pipeline with assistance from a 40-foot tug boat;
- deploy divers to locate and inspect the pipeline and to identify whether the freespanning pipeline is the gas or the water line;
- expose any pipeline damage by jetting back approximately 170 feet.

Torch believes that friction reduced by the jetting operation described above may allow the pipeline to drop to the seafloor on its own. If the jetting operation is not adequate, and if the pipe is determined to be in acceptable condition, the following additional work will be conducted:

- install ratchet level hoists at 10-foot intervals along the unsupported span (the bottom end of the hoist will be attached to the adjacent 20-inch oil pipeline);
- shut-in and bleed down the pipeline (if the subject line is the active gas pipeline);
- apply tension on the hoists to pull the spanning pipeline into place.

Final activities include:

- install galvanized chain with binders and anodes at 10-foot intervals along the pipelines;
- demobilize the diving support vessel at the Navy Pier in Santa Barbara.

The applicant anticipates that the project will be completed in up to 5 days, and will be scheduled as soon as possible, depending on sea and weather conditions. Project activities will be carried out as described in the April 4, 1996 letter from David Rose, Torch, to Susan Hansch, CCC, unless otherwise modified by the Executive Director of the Coastal Commission.

² The subject pipeline is part of a bundle of three pipelines consisting of one 8-inch gas line, one 8-inch idle water line, and one 20-inch oil line. The freespanning pipeline abruptly leaves the bundle at an upward angle of approximately 10 to 12 degrees, leaves bottom and arches to an apex of about 6 feet off bottom. The span covers approximately 124 feet. This line is either the active produced gas pipeline or the idle water line.

EXHIBIT NO. 3

APPLICATION NO.
E-96-16

This letter constitutes approval of the emergency work you or your representative has requested to be done at the location listed above. I understand from your information that an unexpected occurrence in the form of a 124-foot section of freespanning subsea pipeline that presents a risk of vortex-shedding-induced vibration and subsequent fatigue failure of the pipeline requires immediate action to prevent or mitigate loss or damage to life, health, property or essential public services. 14 Cal. Admin. Code Section 13009. The Executive Director hereby finds that:

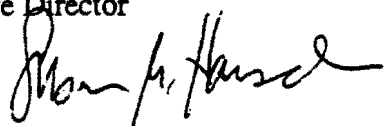
- (a) An emergency exists which requires action more quickly than permitted by the procedures for administrative or ordinary permits and the development can and will be completed within 30 days unless extended pursuant to the terms of the permit;
- (b) Public comment on the proposed emergency action has been reviewed as time allowed; and
- (c) As conditioned, the work proposed would be consistent with the requirements of the California Coastal Act of 1976.

The work is hereby approved, subject to the attached conditions. Please note that, pursuant to special condition 1, this emergency permit does not authorize any work related to replacing the section of freespanning pipeline in the event that the pipeline does not drop to the seafloor on its own, and the condition of the pipeline is not acceptable for required tensioning, Torch shall apply to the executive director for a separate coastal development permit for any proposed project activities related to replacing the subject pipeline section.

Very Truly Yours,

PETER M. DOUGLAS
Executive Director

By:



Title:

Deputy Director

for Energy, Ocean Resources, Technical Services

CONDITIONS OF APPROVAL

General Conditions

1. This permit shall not become effective unless and until the enclosed Emergency Permit Acceptance Form is signed by Torch Operating Company (hereinafter, "Torch") and returned to the Executive Director of the California Coastal Commission (hereinafter, "Executive Director").
2. The emergency permit authorizes only those project operations and locations specifically described above pursuant to the April 4, 1996 letter from David Rose, Torch, to Susan Hansch, CCC. Torch shall not deviate from the operations, timing or sequence of operations or locations specified in the referenced documentation unless and until authorized in writing by the executive director.
3. Within 30 days of issuance of this permit, Torch shall submit an application for a regular coastal development permit (CDP) to the California Coastal Commission for all work authorized by this emergency permit.
4. This permit does not obviate the need to obtain necessary authorizations and/or permits from other agencies. Within one week of the date of issuance of this emergency permit, or as obtained subsequent to issuance, Torch shall submit to the executive director copies of all orders, permits, or other approvals required by other agencies and property owners for the activities authorized by this emergency permit, including but not necessarily limited to:
 - State Lands Commission;
 - U.S. Minerals Management Service;
 - U.S. Army Corps of Engineers;
 - U.S. Coast Guard;
 - Santa Barbara County Air Pollution Control District.
5. In addition to any immunities provided for by law, in exercising this permit, Torch agrees to hold harmless and indemnify the California Coastal Commission, its officers, employees, agents, successors and assigns from any claims, demands, costs, expenses and liabilities for any damage to public or private property or personnel injury that may result directly or indirectly from the project.
6. Torch shall reimburse the California Coastal Commission in full for all costs and attorneys fees--including (1) those charged by the Office of the Attorney General and (2) any court costs and attorneys fees that the Coastal Commission may be required by a court to pay--that the Coastal Commission incurs in connection with the defense of any action brought against the Coastal Commission, its officers, employees, agents, successors and assigns, challenging the approval or issuance of this permit, the interpretation and/or enforcement of the permit conditions, or any other matter related to this permit or its approval or issuance.

7. Acceptance of this emergency permit shall be deemed acceptance of all conditions of this permit. Authority to conduct work authorized by this permit is contingent on full and continuing compliance with every condition of this permit. Failure to comply fully with the requirements of any condition of this permit shall constitute grounds for the issuance by the Executive Director of a cease and desist order pursuant to California Coastal Act Sections 30809 and 30810, respectively.

Special Conditions

1. Project Activities. This emergency permit does not authorize any work related to replacing the section of freespanning pipeline in the event that the pipeline does not drop to the seafloor on its own and/or the condition of the pipeline is not acceptable for required tensioning.
2. Site/Resource Disturbance. Site disturbance related to anchoring shall be minimized to the maximum extent feasible by means of procedures which shall include:
 - (a) avoiding placement of anchors or anchor cables within any hard-bottom areas;
 - (b) lowering and raising the anchors vertically to and from the seafloor.
3. Notification/Final Report. Torch shall notify the executive director at least 24 hours prior to commencement of project operations and within 24 hours of completion of project operations. Within 10 working days following project completion, Torch shall submit to the executive director a written report describing the status of the pipeline and all activities conducted pursuant to this emergency permit.

STATE LANDS COMMISSION
MINERAL RESOURCES MANAGEMENT DIVISION
 200 OCEANGATE, 12TH FLOOR
 LONG BEACH, CALIFORNIA 90802-4331
 TELEPHONE: (310) 590-5201
 FACSIMILE : (310) 590-5295

CALIFORNIA RELAY SERVICE
 TDD/TT: (800) 735-2929
 VOICE: (800) 735-2922

Post-it* Fax Note	7671	Date	3/19	# of pages	2
To	ANDY CULWELL	From	JOHN CREWS		
Co./Dept.	APM	Co.	TORCH		
Phone #		Phone #	939-9111		
Fax #	986-5309	Fax #	.		

File Ref: W 40615.21

March 13, 1996

Mr. John S. Crews
 Senior Operations Engineer
 Torch Operating Company
 3201 Skyway Drive, Suite 104
 Santa Maria, CA 93445


Subject: Platform Irene to Shore Pipeline Freespan Repair

Dear Mr. Crews:

We have reviewed the pipe condition details and APM's proposed repair procedure we received from you on March 7th for the 124 ft. freespan that is located in State waters in one of the 8 in. pipelines from Platform Irene to shore. We agree that remedial action should be expedited and we note that it is currently planned for March 14 to March 21, because of APM's limited schedule availability to perform the work.

The crucial question at this time is whether the freespan is in the gas line or in the waste water line. Obviously, the proposed repair procedure of pulling down on the line to eliminate the span is more critical if it is the gas line. Our engineering analysis of the stressed condition in the freespan considering bottom current (we assumed a potential 2 knots normal to the pipe), vortex shedding span limitation, bending moment and pipe deflection indicates that inducing additional direct stress from the proposed pull down presents substantial risk of pipe failure.

Our goal is to cooperate with you as much as possible to expedite this repair. In order for us to confirm that it is appropriate, adequate and safe, please fax us APM's detailed procedure for the pull down option together with the confirming calculations. We assume that after freespan elimination, the 8 inch line will again be firmly secured to the 20 inch oil line as before. Include details of the attachment, and also of the repair or replacement of the broken pipe anchor strap at the offshore end of the span.

EXHIBIT NO.	4
APPLICATION NO.	E-96-16
 California Coastal Commission	

Mr. John S. Crews

March 13, 1996

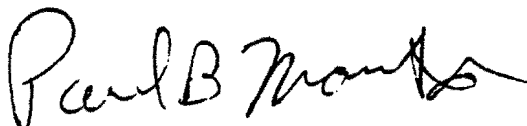
Page 2

If it is confirmed that the spanning line is indeed the gas line, we require that the line be shut in during the pull down and bundle anchoring, because of the inherent operational risks we perceive in the pulling down operation in this length of freespan coupled with uncertainty as to the residual strength of this section of the pipe in its currently distended and deflected state.

If we agree with the details of the operation furnished as requested above, we will confirm our approval to proceed by telephone in order to expedite matters, and we will follow up with written authorization. As soon as the onsite crew determines whether it is the gas or the water line that is involved, and the condition of the pipe at the span ends, we would appreciate a call to inform us.

If there are any questions, please contact Pete Johnson at (310) 590-5229.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul B. Mount II". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Paul B. Mount II, P.E.

Chief, Mineral Resources Management Division

c:\wpajnl\irenfrsp.101.ajl

cc: Thomas W. Dunaway, MMS