

## CALIFORNIA COASTAL COMMISSION

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# W 17b



April 30, 1997

TO: Coastal Commissioners and Interested Members of the Public

FROM: Peter M. Douglas, Executive Director  
 Susan Hansch, Deputy Director  
 Cy Oggins, Analyst, Energy, Ocean Resources, and Technical Services Division

SUBJECT: Update on Exxon Co., USA ("Exxon") Consistency Certifications Nos. CC-85-92 & CC-68-92: individual National Pollutant Discharge Elimination System (NPDES) permits for discharges from Federal Platforms Harmony and Heritage to waters of the California Outer Continental Shelf (OCS) offshore Santa Barbara County.<sup>1</sup>

***NOTE*** - This is an informational item only; no formal action is needed. It is recommended that interested public be afforded an opportunity to comment.

## 1.0 Summary

The purpose of this briefing is to update the Commission on the status of Exxon's consistency certifications for discharges from Exxon Santa Ynez Unit (SYU) Platforms Harmony and Heritage pursuant to NPDES permits issued by the EPA Region 9. Two issues are of note:

1. The NPDES permits for the two SYU platforms were originally scheduled to expire at midnight, May 28, 1997, or on the effective date that a reissued NPDES General Permit applies to the discharges from Platforms Harmony and Heritage. In June 1996, the EPA Region 9 administratively extended the permit expiration date. The extension was provided in order for the EPA to devote staff time and resources towards working on the re-issuance of the California NPDES General Permit which, as proposed, will also cover Platforms Harmony and Heritage. (Letter from Terry Oda, EPA, to Robert D. Schilhab, Exxon, June 13, 1996; Exhibit 1.)
2. Pursuant to a commitment made by Exxon in its "Phase II" consistency certification (File No. CC-85-92, December 1992), Exxon has submitted a request to the EPA and the executive director of the Coastal Commission to change the frequency that Exxon conducts monitoring of metals and organics in the produced water that Exxon discharges from Platform Harmony. Exxon currently conducts monthly monitoring of metals and organics in produced water pursuant to its NPDES permit for Platform Harmony; Exxon is requesting re-authorization from the EPA to conduct monitoring on a quarterly (once every 3 months) frequency.

<sup>1</sup> Acronyms used in this Report include:

- |   |   |
|---|---|
| ➤ CCMP = California Coastal Management Program              | ➤ MMS = U.S. Minerals Management Service                  |
| ➤ CFR = Code of Federal Regulations                         | ➤ NPDES = National Pollutant Discharge Elimination System |
| ➤ CWA = Clean Water Act (33 U.S.C. §§ 1251 <u>et seq.</u> ) | ➤ OCS = Outer Continental Shelf                           |
| ➤ EPA = U.S. Environmental Protection Agency                | ➤ SYU = Santa Ynez Unit                                   |

## 2.0 Background

In 1992, the Coastal Commission concurred with two consistency certifications made by Exxon for discharges from Exxon SYU Platforms Harmony and Heritage to federal waters offshore Santa Barbara County:

1. **CC-68-92** (August 1992) for "Phase I" discharges (deck drainage, fire control system test water, sanitary and domestic wastes, desalination unit discharge, non-contact cooling water, hydrotest water, and fugitive paint and sandblast materials); and
2. **CC-85-92** (December 1992) for "Phase II" discharges (drilling muds and cuttings, produced water, well completion and treatment fluids, and excess cement).<sup>2</sup>

Platform Harmony is located approximately six miles south of Gaviota at 1,200 feet water depth; Platform Heritage is located approximately 8 miles south and west of Gaviota at 1,075 feet water depth. Discharges from Platforms Harmony and Heritage are authorized by the EPA Region 9 under NPDES Permit Nos. CA0110842 and CA0110851.

During the 1992 consistency process for the subject NPDES permits, Exxon committed to implement a number of measures including (1) incorporation of the pending, more stringent discharge standards being promulgated by the EPA for the 1993 *Effluent Limitations Guidelines for the Oil and Gas Extraction Point Source Category, Offshore Subcategory* (58 Federal Register 12454, March 4, 1993); (2) other NPDES permit changes; (3) improved monitoring and testing; and (4) facility improvements. Based in part on these commitments and the requirements of the NPDES permits, the Commission concurred with Exxon's consistency certification. Two of Exxon's commitments are as follows (see also File Nos. CC-85-92 and CC-68-92):

Exxon Commitment	Status of Commitment
1. If concurred in by the Commission, the NPDES permits for Harmony and Heritage expire at midnight, May 28, 1997. Continued operations will require that Exxon apply for new NPDES permits subject to full consistency review. Exxon will submit new permit applications to the EPA, and a consistency certification to the Commission, 18 months prior to permit expiration.	In November 1995, Exxon submitted NPDES permit renewal applications for Exxon's Harmony and Heritage Platforms (letter from Robert Schilhab, Exxon, to Felicia Marcus, EPA, November 28, 1995). On November 29, 1995, the Commission staff received a copy of these applications.

<sup>2</sup> The Commission divided its review of Exxon's consistency certifications into 2 "phases" for the following reasons: (1) concurrence with "Phase I" activities was required before Exxon could begin installing the Harmony and Heritage topsides in October 1992 as originally scheduled; (2) in August 1992, the Commission staff needed additional time to resolve CCMP issues surrounding the "Phase II" discharges.

Exxon Commitment (continued)	Status of Commitment (continued)
<p>2. Exxon will submit a request to the EPA to amend Platform Harmony's NPDES permit to incorporate <u>monthly</u> sampling and analysis of produced water constituents (other than oil and grease which is monitored weekly). The permit as originally approved by the EPA authorized <u>quarterly</u> (once every 3 months) monitoring. This commitment was made in response to staff's concern that a quarterly sampling program would not assure (1) that sufficient data are collected to verify that metal and organic constituents in produced water have low variability and (2) that Exxon's compliance with NPDES effluent limits can be determined.</p> <p>Exxon's commitment is based on the understanding that monthly sampling will occur until and if the executive director determines that (1) sufficient data are collected to determine the low variability of produced water discharges and (2) quarterly monitoring is sufficient to determine Exxon's NPDES permit compliance. If the executive director determines that quarterly monitoring is sufficient to determine Exxon's permit compliance, the executive director will support a request by Exxon to the EPA to amend its NPDES permit to reauthorize quarterly produced water monitoring.</p>	<p>In December 1992, pursuant to the terms of Exxon's consistency certification, Exxon requested that the EPA make a minor modification of NPDES Permit No. CA0110842 to incorporate a monthly sampling requirement for constituents, other than oil and grease, in produced water (letter from C.G. Lyons, Exxon, to Terry Oda, EPA, December 9, 1992).</p>

As noted in the above table, Exxon has met its commitments (1) to submit an NPDES permit renewal application to the EPA, with a copy to the Coastal Commission, at least 18 months prior to the permit expiration date and (2) to request a NPDES permit amendment to the EPA to incorporate monthly monitoring.

### 3.0 Update on the Exxon NPDES Permits' Renewal Process

In June 1996, EPA Region 9 responded to Exxon's submittal by making the determinations cited below (letter from Terry Oda, EPA, to Robert D. Schilhab, Exxon, June 13, 1996; Exhibit 1).

1. EPA staff has reviewed the applications and determined that Exxon's submittal is complete.
2. It is more efficient to devote EPA staff time to re-issue the California NPDES General Permit to cover Platforms Harmony and Heritage plus several others with similar operations than to devote staff time to renewing Exxon's individual NPDES permits.

In this letter, EPA also states the following:

“Since Exxon has submitted a timely and complete application, your existing permits will remain in effect until either another individual or general permit is reissued. Should the general permit process reach a stalemate (at some agreed upon time), the general permit option would be withdrawn and an individual permit will be drafted for Exxon from the application recently received.”

In its December 1992 concurrence with Exxon’s consistency certification, the Commission found that Exxon’s NPDES permits were the most stringent ever reviewed by the Commission.<sup>3</sup> However, the Commission has expressed concern in the past over the EPA’s extension without formal renewal of an existing NPDES permit (i.e., NPDES General Permit No. CA0110516).<sup>4</sup> Pursuant to federal regulations as set forth in 15 CFR Sections 930.51(b), the Commission is authorized to review renewals and major amendments of Federal permits for consistency with the California Coastal Management Program (CCMP). In particular, 15 CFR Section 930.51(b)(3) authorizes review of “Renewals and major amendments of Federal license and permit activities previously reviewed by the State agency which will cause coastal zone effects substantially different than those originally reviewed by the State agency.” The purpose of this “consistency review” is to assure that the permitted activities comply with the enforceable policies of the Federally approved CCMP and are carried out in a manner consistent with the CCMP.

At the same time, the Commission staff supports the EPA Region 9 staff efforts to reissue the NPDES General Permit for existing oil and gas facilities located in federal waters in Southern California. As currently drafted, the proposed new NPDES General Permit (No. CAG280000) would cover discharges from 22 existing platforms—including Platforms Harmony and Heritage. The Commission staff is currently participating in meetings held by the EPA to prepare the draft General Permit. The EPA (1) expects to finalize the General Permit, after a public comment period, in or after October 1997, and (2) will submit for review by the Commission a certification that the activities permitted under the proposed NPDES General Permit are consistent with the CCMP. The General Permit becomes effective if and when the Coastal Commission concurs with the EPA’s consistency certification. The Commission staff believes that the General Permit process will be completed before December 1997.

The Commission staff has reviewed the EPA’s administrative extension of Exxon’s NPDES permits against Federal consistency criteria. Based on NPDES permit monitoring data submitted by Exxon to date, the staff believes that Exxon’s continuance of discharge activities after May 28,

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<sup>3</sup> The discharges from Platforms Harmony and Heritage are authorized by the U.S. EPA Region 9 in accordance with individual NPDES Permit Nos. CA0110842 and CA0110851. These platforms, which were built after June 1984, are not covered by the EPA’s existing NPDES General Permit.

<sup>4</sup> Notwithstanding the fact that existing NPDES General Permit No. CA0110516 had an expiration date of June 1984, the discharge limitations of that Permit have continued in effect to the present date pursuant to federal law [see 40 CFR § 122.6 and 5 USC § 558(c)]. In 1993, EPA Headquarters promulgated new, more stringent discharge standards [see, *Effluent Limitations Guidelines for the Oil and Gas Extraction Point Source Category, Offshore Subcategory* (58 Federal Register 12454, March 4, 1993)]. However, these new discharge standards were not applied retroactively to the existing General Permit.

1997 pursuant to its existing NPDES permits will not cause impacts to land or water uses or natural resources of the coastal zone that are substantially different than those originally reviewed by the State agency and, therefore, that no consistency submittal for this temporary permit extension is required.

However, should the proposed new General NPDES Permit process reach a stalemate and appear unlikely to become finalized by December 1997, the staff will request that the EPA commence work on renewing the individual permits for Exxon SYU Platforms Harmony and Heritage. The staff will update the Commission at future meetings on the status of any unresolved issues.

#### **4.0 Executive Director's Decision Concerning Monthly Monitoring of Produced Water**

In its November 1995 permit renewal application submittal to EPA, Exxon requested the EPA to reauthorize quarterly produced water monitoring frequency (letter from Robert Schilhab, Exxon, to Felicia Marcus, EPA, November 28, 1995). Specifically, Exxon requested the following:

As demonstrated by [the enclosed] attachments, the quality of the produced water and drilling muds and cuttings discharges has been extremely high during the first 24 months of operation. Thus, the incentive to find alternatives to discharge has been greatly reduced. Also at this time, Exxon is requesting to change the monitoring frequency of the metals and organics ... from monthly to quarterly, as is allowed by the Permit with concurrence of the Executive Director of the California Coastal Commission. We believe that this change in the frequency of monitoring is justified given the exemplary compliance history for the produced water discharge.

In December 1995, Exxon submitted a request to the executive director to support Exxon's request to reauthorize quarterly monitoring (letter from Robert Schilhab, Exxon, to Peter Douglas, CCC, December 8, 1995).

The NPDES permit process relies on an operator's compliance with Federal discharge standards to provide evidence that discharges from a permitted facility are not affecting marine resources. To date, monitoring data submitted by Exxon to the EPA and the Commission show that Exxon's discharges are in compliance with the limits set forth in Exxon's NPDES permits (Exhibits 2-3).

The executive director believes, however, that it is prudent that Exxon continue to monitor its monthly monitoring of produced water discharges at Platform Harmony until Exxon's individual NPDES permit is renewed or a new NPDES General Permit is issued that covers the platform. Monthly monitoring will help the Commission staff to determine whether or not Exxon's discharges cause any impacts to land or water uses or natural resources of the coastal zone that are substantially different than those originally reviewed by the State agency. The EPA has also decided to dedicate its staff's time to re-issue the California NPDES General Permit to cover Platforms Harmony and Heritage, rather than to renew or amend the existing individual permits (letter from Terry Oda, EPA, to Robert D. Schilhab, Exxon, June 13, 1996; Exhibit 1).

The Commission staff expects the Commission to review the General NPDES permit for consistency before the end of 1997. If the General NPDES permit does not become effective before December 31, 1997, the executive director will reconsider Exxon's request to support an amendment by the EPA to re-authorize quarterly monitoring. The staff will update the Commission at future meetings on the status of any unresolved issues.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
 REGION IX  
 75 Hawthorne Street  
 San Francisco, CA 94105-3901

**RECEIVED**  
 JUN 18 1996

June 13, 1996

Robert D. Schilhab, SYU Production Manager  
 Exxon Company, USA  
 P.O. Box 5025  
 Thousand Oaks, CA 91359-5025

CALIFORNIA  
 COASTAL COMMISSION

<b>EXHIBIT NO.</b>	1
<b>APPLICATION NO.</b>	W-17b
Exxon NPDES Permit	
Status Report	

**Re: NPDES Permits for Platforms Harmony and Heritage**

Dear Mr. Schilhab:

EPA has received Exxon's NPDES permit renewal applications, dated November 21, 1995, for the Harmony and Heritage Platforms. Staff has reviewed the applications in accordance with procedures described in 40 CFR Part 122.21, and determined that the submittal is complete.

Astrid Larsen of my staff has been in contact with Rich Stewart of your office, discussing the possibility of re-issuing the California general offshore permit (NPDES permit No. CA0110516) to cover your two platforms plus several others with similar operations. We believe it is a more efficient process and EPA would like to take advantage of the resource savings that a general permit can provide.

Mr. Stewart expressed concerns over the probability of not having Exxon's permits issued on time and what that would mean for compliance purposes. 40 CFR Part 122.6 states that conditions of an expired permit continue in force until the effective date of a new permit as long as several conditions are met including a timely and complete application for renewal received by EPA. Since Exxon has submitted a timely and complete application, your existing permits will remain in effect until either another individual or general permit is reissued. Should the general permit process reach a stalemate (at some agreed upon time), the general permit option would be withdrawn and an individual permit will be drafted for Exxon from the application recently received.

A disk copy of three oil and gas related general permits is included with this letter for your review. Two of the permits were drafted by staff in EPA, Region 10, with some public participation. The Region 10 permit writers made some helpful suggestions from their recent experiences and highly recommended the stakeholder participation process. Also included on the disk is a copy of EPA, Region 6's OCS general permit for Western Gulf of Mexico, which was originally issued in 1992 and modified in October of 1993.

Robert Schilhab  
June 11, 1996

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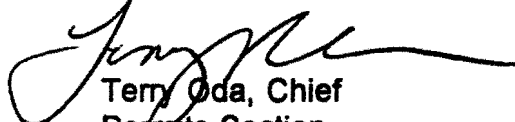
The following is a suggested schedule of events for reissuing the general off-shore oil & gas permit.

<u>Date</u>	<u>Event Completed</u>
July 15, 1996	Comments from Exxon regarding the general permit.
September 20, 1996	Contact other affected dischargers, MMS, CCC, NMFS, USFWS, Santa Barbara County, and other stakeholders as appropriate.
October 9, 1996	Kick-off meeting with dischargers, MMS, CCC, NMFS, USFWS, Santa Barbara County, and other stakeholders to review "straw-man" proposal. Suggest a neutral third party facilitator.
October 10, 1996	Possible field trip to a platform and Las Flores Canyon treatment plant for agencies.
February 19, 1997	Draft permit to discharges, MMS, CCC, NMFS, USFWS, Santa Barbara County and other stakeholders for preview.
March 24, 1997	Draft permit to Federal Register for 45 day public notice.
April 16, 1997	Workshop and public hearing explaining permit and process. Suggest a neutral third party facilitator.
May 1997	Start responding to comments.
October 1997	Reissue final general permit

Cy Oggins with the California Coastal Commission (CCC) has spoken with Astrid several times and expressed the CCC staff's support for working with EPA staff to reissue the general permit in a timely manner similar to the approach taken in issuing Exxon's original NPDES permits, as well as renewal of NPDES permits for Chevron Platforms Gail and Grace and Torch Platform Irene.

We hope that this letter clarifies issues for you. If you have any questions or concerns, please do not hesitate to contact me at (415) 744-1923 or have your staff contact Astrid Larsen at (415) 744-1880.

Sincerely,



Terry Oda, Chief  
Permits Section

CC:  
Cy Oggins, California Coastal Commission



EXXONDMR.XLS

	Oil and Grease (daily max) (week max)		Arsenic	Cadmium	Chromium	Copper	Cyanides	Lead	Mercury	Nickel	Selenium	Silver	Zinc
<b>SWRCB 6-mo. median (mg/l)</b>			<b>0.008</b>	<b>0.001</b>	<b>0.002</b>	<b>0.003</b>	<b>0.001</b>	<b>0.002</b>	<b>0.00004</b>	<b>0.005</b>	<b>0.015</b>	<b>0.0007</b>	<b>0.020</b>
<b>SWRCB daily max (mg/l)</b>			<b>0.032</b>	<b>0.004</b>	<b>0.008</b>	<b>0.012</b>	<b>0.004</b>	<b>0.008</b>	<b>0.00016</b>	<b>0.020</b>	<b>0.060</b>	<b>0.0028</b>	<b>0.080</b>
<b>EPA Limit (mg/l)</b>	<b>42.0</b>	<b>29.0</b>	<b>0.032</b>	<b>0.004</b>	<b>0.008</b>	<b>0.012</b>	<b>0.004</b>	<b>0.008</b>	<b>0.00016</b>	<b>0.020</b>	<b>0.060</b>	<b>0.0028</b>	<b>0.080</b>
4Q-93	11.5	8.0	0.003*	nd	nd	0.002*	0.0000018	nd	0.00006*	0.00002	nd	0.0002*	0.008*
1Q-94 [1]	13.8	11.6	0.003*	nd	0.00002	0.002*	0.0000052	nd	0.00006*	0.00006	nd	0.0002*	0.008*
2Q-94	19.5	13.0	0.003*	nd	0.000012	0.002*	0.000016	0.000058	0.00006*	0.0002	nd	0.0003*	0.008*
3Q-94 [2]	17.5	15.7	0.003*	nd	nd	0.002*	nd	nd	0.00006*	0.00014	nd	0.0002*	0.008*
4Q-94 [3]	lab error	22.7	0.003*	nd	nd	0.002*	0.0000045	nd	0.00006*	0.00006	nd	0.0002*	0.008*
1Q-95	17.3	14.5	0.003*	nd	0.0000078	0.002*	nd	nd	0.00006*	0.0000706	nd	0.0002*	0.008*
2Q-95	15.8	13.6	0.003*	nd	0.000007	0.002*	nd	nd	0.00006*	0.0000511	nd	0.0002*	0.008*
3Q-95	32.8	15.0	0.003*	nd	nd	0.002*	nd	nd	0.0000601*	0.0000997	nd	0.0003*	0.008*
4Q-95 [4]	lab error	lab error	0.003*	nd	0.000015	0.002*	nd	nd	0.00006*	0.0000977	nd	0.0002*	0.008*
1Q-96 [2]	9.2	5.8	0.003*	nd	0.000028	0.002*	nd	nd	0.0000599*	0.0000745	nd	0.0002*	0.008*
2Q-96	16.7	11.7	0.003*	nd	0.0000069	0.002*	nd	nd	0.00006*	0.00011	nd	0.0002*	0.008*
3Q-96	12.0	9.9	0.003*	nd	0.0000073	0.002*	nd	nd	0.00006*	nd	nd	0.0002*	0.008*
4Q-96	19.0	14.3	0.003*	nd	nd	0.002*	nd	nd	0.00006*	0.0000732	nd	0.0002*	0.008*
1Q-97													

	Ammonia	Phenol	Naph.	2,4 DiM.	Benzene	Toluene	EthylBenz.	B(a)Pyr.	Bis(2-e)p.	Radioac.	Flow Rate (bbl/day) (avg)	(max)	Acetic Acid
<b>SWRCB 6-mo. median (mg/l)</b>	<b>0.6</b>	<b>0.03</b>											
<b>SWRCB daily max (mg/l)</b>	<b>2.4</b>	<b>0.12</b>											
<b>EPA Limit (mg/l)</b>	<b>2.4</b>	<b>0.12</b>	<b>0.0235</b>	<b>none</b>	<b>0.0059</b>	<b>0.05</b>	<b>0.0043</b>	<b>0.003</b>	<b>0.0035</b>			<b>92,500</b>	<b>400</b>
4Q-93	0.0007	nd	nd	nd	nd	0.00000082	0.0000014	nd	nd	1.7	3,313	20,690	nd
1Q-94	0.0048	nd	nd	nd	nd	nd	nd	nd	nd	nd	12,413	38,550	
2Q-94	0.0013	nd	nd	nd	nd	nd	nd	nd	nd	nd	6,573	20,790	
3Q-94	0.0526	nd	nd	nd	nd	nd	nd	nd	nd	nd	8,905	21,460	
4Q-94	0.1331	nd	nd	nd	0.0000009	0.00000072	0.00000072	nd	nd	3.1	12,329	23,430	
1Q-95	0.1434	nd	nd	nd	nd	nd	nd	nd	nd	nd	15,070	21,730	
2Q-95	0.1299	nd	nd	nd	nd	nd	nd	nd	nd	35.0	13,059	22,170	
3Q-95	0.0052	nd	nd	nd	nd	nd	nd	nd	nd	nd	16,748	26,870	
4Q-95	0.0002	nd	nd	nd	nd	nd	nd	nd	nd	42.3	15,852	25,670	
1Q-96	0.00012	nd	nd	nd	nd	nd	nd	nd	nd	nd	16,519	26,700	
2Q-96	0.00931	nd	nd	nd	nd	nd	nd	nd	nd	44.8	20,138	28,130	
3Q-96	0.1775	nd	nd	nd	nd	nd	nd	nd	nd	nd	23,979	29,740	
4Q-96	0.1509	nd	nd	nd	0.0004	nd	nd	nd	nd	3.0	23,533	30,590	
1Q-97													

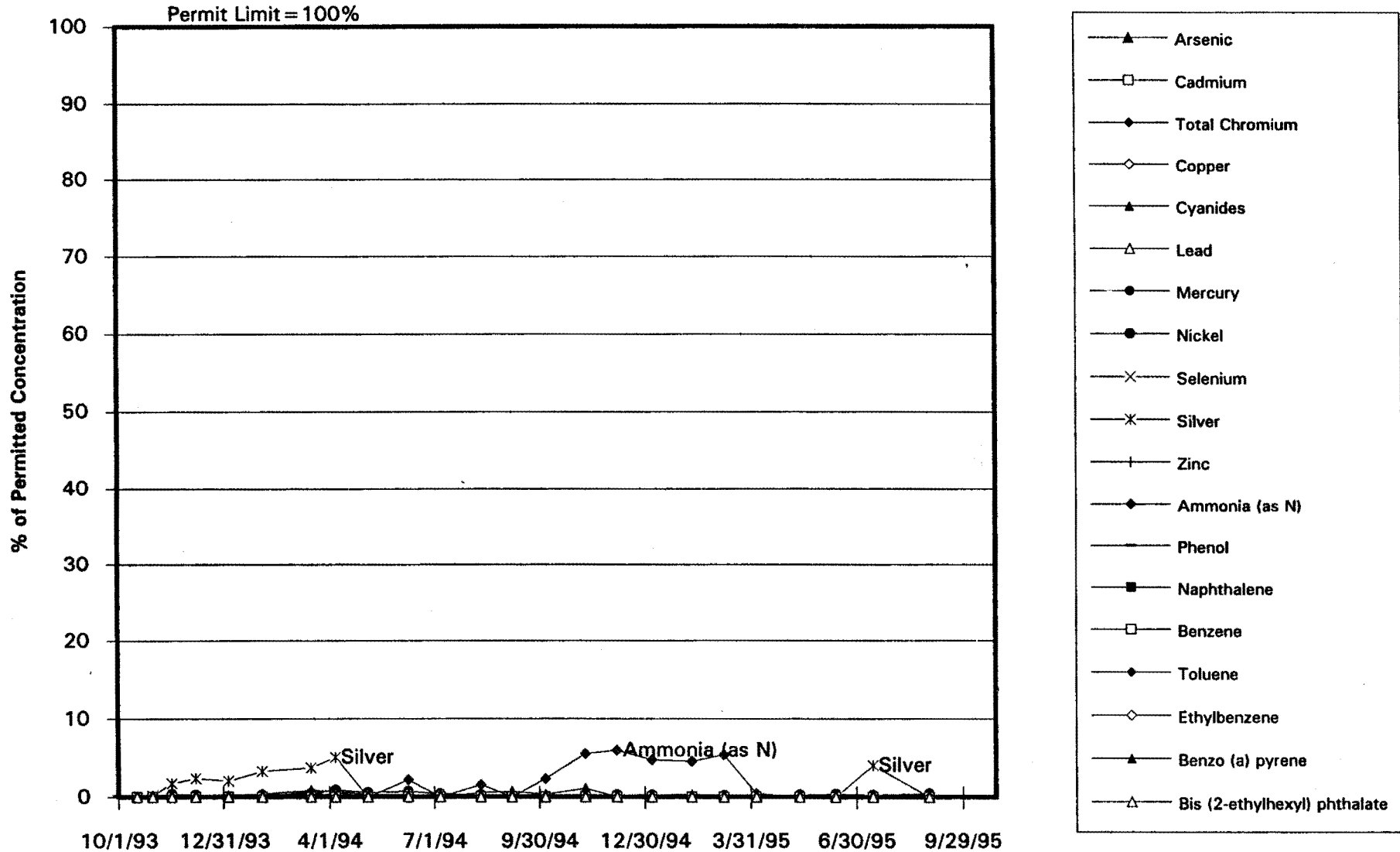
\* According to Exxon's Discharge Monitoring Reports (DMRs), all non-zero values are due to seawater background; the effluent samples were measured in the lab as "non-detect".

- [1] An oil & grease content of 130 mg/l reported for one of 48 samples collected during the quarter. Exxon reports that this was due to lab error.
- [2] In 8/95 & 12/95, MMS conducted surprise inspections at Harmony. 2 of 4 oil & grease sample bottles (#s 2,3) collected in 8/95 and 4 of 12 (#s 1-4) collected in 12/95 were broken.
- [3] Exxon believes that 8/94 oil and grease result of 78.5 reported by independent lab (Pace Inc.) is incorrect.
- [4] 9/95-11/95: oil & grease samples contaminated due to poor lab techniques

<b>EXHIBIT NO.</b>	<b>2</b>
<b>APPLICATION NO.</b>	<b>W-17b</b>
<b>Exxon NPDES Permit</b>	
<b>Status Report</b>	

<b>EXHIBIT NO.</b> 3
<b>APPLICATION NO.</b> W-17b
<b>Exxon NPDES Permit</b>
<b>Status Report</b>

## SYU Produced Water Compliance



All Metals and Organics with Permit Limits are plotted. Average EPA PLUMES Model calculated dilution ratio 1200:1.