

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD (415) 904-5200
FAX (415) 904-5400

W-10d

July 30, 1999

TO: Coastal Commissioners and Interested Parties

FROM: Susan Hansch, Chief Deputy Director
Jaime Kooser, Deputy Director
Alison Dettmer, Manager, Energy and Ocean Resources Unit
Chris Kern, Energy and Ocean Resources Unit

SUBJECT: Chevron 4H Platform Shell Mounds

Introduction and Staff Note:

Commission staff has previously relayed general information to the Commission about this shell mound issue. The staff has been working with Chevron, the State Lands Commission, members of the environmental community, representatives of the commercial fishing industry and others to address these issues. Because of the controversy surrounding the shell mounds, the staff feels that it is important to discuss this matter with the Commission in a public hearing and to hear public testimony. This short staff report highlights the issues.

The Commission permit for the platform abandonment requires if the executive director determines that debris removal is necessary to avoid an unreasonable risk of snagging trawl nets, that this matter be set for Commission hearing to determine whether the permit for the platform abandonment project should be amended to require removal of debris. A difference of opinion exists between the various groups interested in this matter as to whether the shell mounds should be considered as "debris" in the context of this condition of the coastal development permit. Although the staff believes that the permit condition is applicable to the shell mounds, additional information concerning the environmental effects of shell mound removal must be provided and evaluated before the Commission takes action on removal. The staff is currently working with Chevron and the State Lands Commission to conduct this environmental review. Throughout this process, the staff will coordinate with representatives of the commercial fishing industry, the environmental community and other interested parties to assure that all relevant issues are addressed.

The staff recommends that the Commission hear public testimony and provide input to the staff and postpone taking further action on the shell mound issue until additional environmental review has been conducted. The steps and schedule for the environmental review needed to make a sound decision on this matter are discussed on page 4 of this report.

Coastal Commission Approval of 4H Platform Removal

In February 1995, the Commission approved Coastal Development Permit ("CDP") E-94-6 for the removal of Chevron's Platforms Hazel, Hilda, Hope and Heidi (the "4H

platforms") in state waters offshore Summerland and Carpinteria. The permit conditions and a synopsis of the Commission's action are attached as Exhibit 1. The State Lands Commission ("SLC") acted as the lead agency under the California Environmental Quality Act ("CEQA"), certifying a mitigated negative declaration for the 4H platform abandonment in August 1994. Chevron completed removal of the platforms in the summer of 1996.

Shell Mounds

Following platform removal in 1996, Chevron conducted seafloor surveys and trawl tests in accordance with SLC's Mitigation Monitoring Plan, and with CDP E-94-6 to verify that the state lease sites were free from debris that could interfere with commercial fishing operations in the area of the former platforms. The trawl tests were performed by dragging conventional trawl fishing nets over the bottom of the lease areas.

The surveys identified "shell mounds" in the area beneath each of the former platforms, consisting of piles of drill cuttings¹ that are covered with a layer of mussel shells from platform leg cleanings. The mounds may also contain drilling muds.² Over time, the shells have cemented together and solidified, completely encasing the drill cuttings. The mounds range in size from 22-26 feet high and are approximately 200 feet in diameter. During the trawl tests, snags occurred on the shell mounds.

Commercial Fishing

The State Fish and Game Code prohibits trawl fishing in state waters in order to conserve fishery resources (Fish and Game Code §8830 et. seq.). However, halibut trawling is allowed in the vicinity of the 4H leases. Platform removal was expected to open the lease area to commercial halibut trawling. Since the opening of halibut season in June 1997, at least four trawl fishers have snagged their nets on the shell mounds. Staff is not aware of any reports of conflicts with other types of commercial or recreational fishing. Since the failure of the trawl tests, the SLC has taken the lead on this issue.

To better evaluate the effects of the shell mounds, SLC staff requested Chevron to (1) provide information to determine whether the drilling muds and cuttings in the mounds contain any toxic substances, and (2) conduct a biological resources study comparing the shell mounds with the surrounding natural bottom habitats.

In January 1999, Chevron submitted a study of drilling muds and cuttings toxicity and a marine biological survey in response to SLC's information request. The drilling muds and cuttings study, which is based on a review of drilling records for the platform and of existing literature, concludes that the contents of the shell mounds are not harmful on the marine environment. Chevron has not taken core samples to confirm this conclusion.

¹ Drill cuttings are the geologic material from the bore hole that is brought to the surface during drilling.

² Drilling muds are a mixture of clay, water, and chemical additives that are used to lubricate the drill bit and drillpipe and to transport drilling cuttings up the well bore.

The biological survey found a greater number of fish in the vicinity of the shell mounds than the surrounding natural bottom, but does not reach a conclusion as to whether the mounds produce or merely attract fish. A more extensive study would be required to assess the biological productivity of the shell mounds. The study also found that the surface of the shell mounds supports a substantially different biological community than that found in earlier studies of the mounds when the platforms were present. The study suggests that the differences observed are due to disturbance from platform removal operations and the removal of the platforms as a source of live mussels.

In the fall of 1998, Chevron proposed to the SLC to mitigate the trawl fishing conflict through an agreement negotiated with the members of the Joint Oil/Fisheries Liaison Office (representing approximately 30 local commercial fishers) and the Southern California Trawlers Association. The agreement specifies that Chevron will provide affected trawlers with GPS navigational equipment to allow the fishing vessels to avoid the shell mounds. The agreement would also cover trawlers who do not currently fish in the affected area provided the operator begins fishing in the area and applies for assistance under the agreement by October 31, 2000. Chevron finalized the terms of the proposed mitigation agreement with the Trawlers Association in October 1998. Chevron submitted the agreement to the SLC on October 6, 1998 (Exhibit 2).

The Pacific Coast Federation of Fishermen's Associations ("PCFFA") supports the mitigation agreement as an interim measure to address the impact to the fishing industry that has occurred since the removal of the platforms. However, the PCFFA does not believe that the agreement adequately addresses the long term fishing impacts of the shell mounds. The PCFFA believes that Chevron is responsible for conducting an environmental review to identify any environmental impacts that may result from removal of the shell mounds and whether the existence of the shell mounds provides an environmental benefit. This environmental review would be a prerequisite to determining appropriate mitigation for long-term impacts to the fishing industry (*per. com. Grader 7/29/99*).

Removal Requirements

The Environmental Defense Center ("EDC") has written numerous letters to the Commission, the SLC, the U.S. Army Corps of Engineers, and others stating that the debris removal provisions imposed by the agencies' approvals for platform abandonment require Chevron to remove the shell mounds (Exhibit 3). The EDC believes that under Special Condition 7 of CDP E-94-6 the Coastal Commission should require Chevron to submit an application for an amendment to the permit for the removal of the shell mounds.

Special Condition 7 specifies, in part:

Chevron shall submit to the Executive Director and the SLC an analysis, to include supporting information, of whether or not debris identified in the above surveys and attributable to Chevron shall be removed. If the Executive Director determines that removal of the debris attributable to Chevron is necessary to avoid an unreasonable risk of snagging by trawl nets, this matter shall be set for

public hearing before the Commission for the purpose of determining whether or not this coastal development permit shall be amended to require debris removal.

The EDC is also concerned that the drilling cuttings and muds within the shell mounds may contain toxic substances. The EDC believes that Chevron should be required to submit an application for an amendment to the abandonment permit for the removal of the shell mounds.

The Commission staff believes that additional information is necessary in order to assess whether removal of the shell mounds is appropriate under the Chapter 3 policies of the Coastal Act. Chevron believes that explosives would be required to demolish the mounds for removal. The staff is concerned that significant impacts to marine mammals, diving birds, sea turtles, and fish could result. Prior to removal, the biological value of the shell mounds should be better understood. If toxic substances are contained within the mounds, removal would likely release these substances into the marine environment.

Commission staff has discussed these concerns with Chevron, SLC staff, fishing industry representatives, and the EDC. Chevron has agreed to provide funding to provide the required information through a consultant contract to be managed by Commission and SLC staff. The staffs of the two agencies are in the process of developing a scope of work for the consultant to provide for:

- An assessment of whether toxic substances are contained in the shell mounds based on laboratory analysis of core samples to be taken from the mounds.
- An engineering feasibility study to examine the least environmentally damaging manner to remove the mounds.
- An analysis of the environmental impacts associated with removal of the mounds, including effects to marine biological resources, water quality, and air quality.
- An assessment of the environmental impacts of leaving the shell mounds in place.
- A study of the marine biological importance of the shell mounds.

Completion of these studies will be accomplished as follows (staff will make every effort to assist all of those involved to comply with this proposed schedule, but unanticipated delays may occur):

8/6/99	Finalize Scope of Work for public review and comment (currently in draft)
8/20/99	Draft Request for Proposals (RFP) for agency review
9/3/99	Finalize and release RFP
9/17/99	Deadline for proposals
10/1/99	Review proposals and select consultant
10/22/99	Approve contract
11/12/99	Complete field work

12/3/99 Reports submitted to agencies

Commission staff will review the environmental studies when submitted and schedule a Commission hearing at the next available Commission meeting to determine whether a permit amendment for shell mound removal shall be required.

Recommendation and Next Steps

The staff recommends that the Commission postpone taking further action on the shell mound issue until the environmental review described above is completed. Staff will continue to work with Chevron, the SLC and other interested parties to complete this review. Throughout this process, staff will coordinate with fishing industry representatives, the environmental community and other interested parties to assure that all relevant issues are addressed.

Once the environmental review is completed, the staff will be prepared to formulate a recommendation to the Commission. At that time, the staff will schedule a Commission hearing to determine whether the permit shall be amended to require removal of the shell mounds or an alternative mitigation measure, such as implementation of the GPS agreement. The staff recommends that the Commission postpone action to direct removal of the shell mounds until the necessary environmental review is completed.

CALIFORNIA COASTAL COMMISSION

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

EXHIBIT 1

Date Filed:	01/06/95
49th Day:	02/24/95
180th Day:	07/05/95
Staff:	CRO/MBM-SF
Staff Report:	01/27/95
Hearing Date:	02/08/95
Item No.:	W-21c
Commission Action:	Approved
Commission Vote:	9-0

ADOPTED FINDINGS

Application No.: E-94-6

Project Applicant: Chevron USA, Inc.

Location: Platforms **Hazel** and **Hilda** (State Lease PRC 1824) and **Hope** and **Heidi** (State Lease PRC 3150) are located in state waters in the eastern portion of the Santa Barbara Channel, offshore Summerland and Carpinteria, Santa Barbara County. (Exhibit 1.)

Project Description: Removal of Platforms Hope, Heidi, Hilda and Hazel and abandonment-in-place of associated subsea oil and gas pipelines. All platforms were shut-in prior to September 1992.

Approvals Received: State Lands Commission Mitigated Negative Declaration No. ND 652, State Clearinghouse No. 94051016 (August 3, 1994).
Department of Fish and Game Explosives Permit No. EP-94-1 (November 14, 1994).

Substantive File Documents: Appendix B.

SYNOPSIS

Chevron proposes to (1) abandon permanently and remove Platforms Hazel and Hilda (state oil and gas lease PRC 1824) and Platforms Hope and Heidi (lease PRC 3150) from state tidelands and submerged lands in the eastern portion of the Santa Barbara Channel; and (2) abandon-in-place the subsea pipelines that connect the platforms to Chevron's separation, treatment and processing facility in Carpinteria, Santa Barbara County. (Exhibit 1.) Hazel and Hilda lie approximately 1.5 nautical miles (nm) offshore Summerland at water depths of 96 and 106 feet respectively. Hope and Heidi, which are located approximately 3 miles southeast of Hazel, lie approximately 2.6 and 2.5 nm offshore Carpinteria at water depths of 137 and 126 feet, respectively.

Chevron installed Hazel in 1958, Hilda in 1960, and Hope and Heidi in 1965. Chevron can no longer feasibly operate these platforms due to the near depletion of the leases' petroleum resources and to economic costs associated with continuing operations. All wells on the four platforms were shut-in prior to September 1992, and the majority of the platforms' oil and gas processing equipment was drained and cleaned. Removal and rerouting of the pipelines that currently run from Outer Continental Shelf (OCS) Platform Grace to Platform Hope and then to shore will occur prior to removal of Hope. (*CDP Application No. E-93-12, February 1995.*) Previous platforms removed from the Santa Barbara Channel include Texaco Platforms Helen and Herman in 1988 (*CDP No. E-87-6, January 1988*) and Phillips Platform Harry in 1974.

Project activities are expected to occur over an three- to four-month period, with the total time for removal of each platform estimated at 30 days. Project operations will be conducted primarily from a derrick barge or a diving support vessel. In general, Platforms Hope, Heidi and Hilda have similar configurations with two large caisson legs. (Exhibits 2-3.) Platform Hazel contains cement-filled caisson bases and, in some instances, will require a different removal technique than that used for the other platforms. (Exhibit 4.) Chevron's proposed operations include:

- Conduct a pre-abandonment survey within a 1,000-foot radius of each platform to locate and map sensitive marine resources, pipelines, and any seafloor debris.
- Remove the platform decks or topsides by cutting the platform into pieces that are light enough to be lifted and removed by derrick barge cranes.
- Cut the platform pilings and conductors and remove the platform jackets. To remove Hazel, Chevron proposes to use mechanical cutters and to abandon the platform's caisson bases in place (since each base weighs 2,000 tons, which exceeds the lifting capabilities of available removal equipment). For the three other platforms, Chevron proposes to use explosives (nitromethane) to cut the bases three feet below the mudline. (Exhibits 4-6.)
- Dispose of (scrap or landfill) the platform structures onshore.
- Abandon-in-place associated pipelines and power cables, and cleanup any seafloor debris.

All project activities will be conducted (1) in accordance with State Lands Commission (SLC) lease stipulations regarding the removal of facilities and site restoration, and (2) in the manner and under all conditions specified in the SLC's project Mitigated Negative Declaration (*ND 652, August 3, 1994*) prepared pursuant to the California Environmental Quality Act. (*Public Resources Code Section 21000 et seq.*; the CEQA.) Such activities will result in some short-term impacts associated with mobilization and use of removal equipment and vessel operations. In addition, Chevron's proposed use of explosives has been reviewed and conditionally approved by the SLC, Department of Fish and Game, and National Marine Fisheries Service. **Tables 1-2** (pp. 3-4) summarize project-related significant issues, potential impacts, and the mitigation measures and conditions that Chevron will implement to avoid, or reduce to insignificance, any impacts.

With implementation of Chevron's mitigation measures, the staff believes that the project, as proposed and conditioned, is consistent with Coastal Act policies. The staff recommends approval of the project as conditioned.

1.0 STAFF RECOMMENDATION

The staff recommends that the Commission adopt the following resolution:

APPROVAL WITH CONDITIONS

The Commission hereby grants a permit, subject to the conditions below, for the proposed development on the grounds that the development, as conditioned, will be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976, will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program (LCP) conforming to the provisions of Chapter 3 of the Coastal Act, and as conditioned will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

2.0 STANDARD CONDITIONS See Appendix B.

3.0 SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

1. If the Department of Fish and Game (DFG) pursues and obtains all necessary approvals for the use of all or part of the subject platforms for an artificial reef program, Chevron shall obtain an amendment to this coastal development permit.
2. Chevron shall obtain an amendment to this coastal development permit for any modification of project activities that results in a change to the project Stipulations or Final Mitigation Monitoring Plan required by the State Lands Commission (SLC) pursuant to Mitigated Negative Declaration No. ND 652 (certified by the SLC on August 3, 1994).
3. Prior to commencement of project activities, Chevron shall submit to the Executive Director a final copy of all permits required for project operations by (1) the Santa Barbara County Air Pollution Control District, and (2) the U.S. Army Corps of Engineers. Chevron shall submit to the Executive Director, within 48 hours of receipt, copies of any future permits issued by the National Marine Fisheries Service for this project.
4. Chevron shall implement all conditions and requirements imposed by the Department of Fish and Game (DFG) pursuant to Explosives Permit No. EP-94-1 (November 14, 1994). In the event that the DFG amends Explosives Permit No. EP-94-1, Chevron shall obtain an amendment to this coastal development permit.
5. In addition to those measures contained in the project description or in Department of Fish and Game (DFG) Explosives Permit No. EP-94-1, Chevron shall take the following measures to avoid impacts to marine mammals, reptiles and birds:
 - (a) Project operations shall occur between June 1 and November 30 to avoid impacts to migrating California gray whales.
 - (b) If removal of marine mammals from platform structures is necessary, Chevron shall contract with an independent marine mammal rescue organization or person approved by the Executive Director to conduct this activity. Criteria for approval shall be that the organization (1) is experienced in the rescue and handling of marine mammals, (2) holds a

National Marine Fisheries Service Letter of Authorization pursuant to the Marine Mammal Protection Act for this activity, and (3) submits a post-operations report to the Executive Director describing circumstances under which any marine mammals were taken.

- (c) Thirty (30) minute aerial surveys shall be conducted by qualified observers approved by the Executive Director one hour prior to detonation of explosives to ensure that no marine mammals or sea turtles are within a 1,000-yard radius of the detonation site nor are likely to enter this area prior to or at the time of detonation (as recommended by the National Marine Fisheries Service and required by the U.S. Army Corps of Engineers). Detonations shall not occur if weather conditions prevent compliance with this condition, or if the aerial observers cannot communicate with the person in charge of the detonation operations.
 - (d) Within fifteen (15) days of the removal of each platform, Chevron shall submit to the Executive Director a report describing the removal operations conducted, any impacts of these operations on marine mammals and birds, and the effectiveness of the project's mitigation measures (both those proposed by Chevron and those required by the marine resource agencies) in preventing or reducing impacts to marine mammals and birds.
6. In conjunction with the trawl test required by the State Lands Commission to ensure debris clearance, Chevron shall conduct a test trawl over the abandoned pipeline and cable ends and Hazel bases. This trawl test shall provide for use of conventional trawling gear (i.e., gear that would allow it to clear seafloor obstructions, comparable to that which would be used by commercial fishermen in the area). Within 14 days of completion, Chevron shall submit to the Executive Director and the Joint Oil/Fisheries Liaison Office (JOFLO) results of all trawl tests and an analysis, to include supporting information, of whether or not shrouds shall be placed over the abandoned structures, or anchor scars leveled, in order to prevent snagging by nets. Chevron shall also submit to the Executive Director within 30 days of completion results of all ROV or Side scan sonar surveys of the abandoned structures. If the Executive Director or the JOFLO determines that installation of shrouds or other appropriate measures is necessary to avoid an unreasonable risk of snagging, this matter shall be set for public hearing before the Commission for the purpose of determining whether or not this coastal development permit shall be amended to require installation of the appropriate measures.
7. Prior to Chevron's quitclaim or assignment of state oil and gas leases PRC 1824 and PRC 3150 on which the "4H Platforms" lie, Chevron shall submit to the Executive Director a State Lands Commission (SLC)-approved chart showing all known areas of operation within these leases and shall either (1) execute a survey, with an ROV and/or high-resolution side scan sonar, within 1000 feet of these areas of operation to identify and chart the locations of any seafloor debris or (2) submit evidence that equivalent surveys of these areas of operation have been conducted. Prior to Chevron's quitclaim or assignment of leases PRC 1824 and PRC 3150, Chevron shall submit to the Executive Director and the SLC an analysis, to include supporting information, of whether or not debris identified in the above surveys and attributed to Chevron shall be removed. If the Executive Director determines that removal of the debris attributed to Chevron is necessary to avoid an unreasonable risk of snagging by trawl nets, this matter shall be set for public hearing before the Commission for the purpose of determining whether or not this coastal development permit shall be amended to require debris removal.

**CHEVRON U.S.A. INC.
DGPS ASSISTANCE PROGRAM
QUALIFICATIONS AND CONDITIONS**

1. Applicant may apply for DGPS financial assistance by sending a letter to Chevron claiming
 - a. he is a trawl fisherman who fishes for halibut or sea cucumbers in the vicinity of the shell mounds at the former locations of Chevron state platforms Hazel, Hilda, Hope and Heidi (4H shell mounds) in state waters of the Santa Barbara Channel; and
 - b. he has suffered damage from the 4H shell mounds or has been precluded from trawling in the vicinity of the 4H shell mounds for fear of incurring damage from the shell mounds; and
2. Applicants shall submit the following documentation with his application letter:
 - a. Copy of proof of applicant's ownership of vessel;
 - b. Copy of current California commercial registration for vessel;
 - c. Copy of current California commercial fishing license;
 - d. Copies of any applicable current California commercial trawl permit(s) issued by the California Department of Fish and Game and evidence of having had such permits for each of the two years preceding the date upon which application for assistance is made (permits can be from another state); and
 - e. Copies of trawl logs (with Loran coordinates for net drop/raise points) evidencing active halibut or sea cucumber trawl fishing in the 4H shell mounds areas for the period of the twenty-four months preceding the date upon which application for assistance is made (in the case of halibut fishing, evidence shall be for the 9-month halibut season in each of those two years).
3. Chevron shall review the application and determine whether applicant qualifies for assistance. If applicant qualifies, Chevron will offer him financial assistance as described in, and subject to the terms and conditions of, the attached agreement.
4. No application for the DGPS Assistance Program will be accepted after October 31, 2000. Any application submitted prior to that date will be considered valid for future program assistance at such time as the applicant satisfies the 2-year qualification requirements described in paragraphs 2.d. and 2.e., above. The DGPS Assistance Program will terminate on October 31, 2002. After that date, if any trawl fishermen who did not receive DGPS assistance file claims for any 4H shell mound-related damages, Chevron will investigate such claims individually and respond accordingly.

November 1, 1998

CERTIFIED MAIL
RETURN RECEIPT

Mr. Hal Fisher
Captain, F/V Remora
P.O. Box 666
Santa Barbara, CA 93101

4H Shell Mounds: Settlement of Trawler Claim

Dear Mr. Fisher ("Claimant"):

You have claimed that the shell mounds located at the former sites of the Chevron U.S.A. Inc. ("Chevron") state platforms Hazel, Hilda, Hope and Heidi ("4H Shell Mounds") have unduly interfered with your halibut or sea cucumber trawl fishing operations ("Trawl Operations"), causing you economic damage resulting from damaged or destroyed fishing nets, lost time, lost catches and/or preclusion from fishing in one or more of the 4H Shell Mound areas.

Chevron does not admit to the validity of your claim nor to any liability or fault for any of the damages you claim. However, in the interest of resolving this conflict permanently and without further dispute, Chevron offers to settle your claim, subject to the following terms and conditions:

1. Chevron shall pay Claimant the sum of _____ THOUSAND AND NO/100 DOLLARS ("Settlement"), to be used by Claimant for the purchase and installation of navigation and positioning equipment which Claimant has determined as being necessary to conduct Trawl Operations without undue interference from the 4H Shell Mounds.
2. Claimant shall indemnify, defend and hold harmless Chevron, its parent corporation, affiliates and subsidiaries, their employees and agents, and all other parties having an interest in the 4H Shell Mounds ("Indemnitees") from and against any and all claims, demands, actions, causes of action, losses or liabilities for injury to or death of any persons of Indemnitees or of Claimant or of any other person, or for damage to or destruction of real or personal property of the Indemnitees or of Claimant or of any other person, or for economic loss suffered by Claimant or any other person, or for civil penalty (but not criminal penalty), directly or indirectly arising out of, resulting from or in any way connected with the Settlement. In the event any claim is asserted or action instituted against Chevron or any of the other Indemnitees, Claimant shall immediately upon receipt of notice of such claim or action assume and pay for the defense of such Indemnitee(s), including payment of all reasonable attorneys' fees and other expenses incidental thereto, and shall pay any judgment, including costs of court, rendered against such Indemnitee(s).
3. Claimant hereby releases and forever discharges Chevron and the other Indemnitees from any and all liability for loss or damage to Claimant's personal property, including any related incidental or consequential damages, and from any and all claims, demands, actions or causes of action which Claimant may have or may hereafter have against the Indemnitees arising out of or

Mr. Hal Fisher
4H Shell Mounds/Trawler Settlement
November 1, 1998

Page 2.

in any way connected with the 4H Shell Mounds. This is a final and complete release and shall be binding upon the Claimant and his heirs, executors, guardians, administrators, successors and assigns. Claimant hereby expressly waives any right under or benefit of any law of any jurisdiction providing to the contrary. Neither the acceptance of this release nor any payment made hereunder shall constitute any admission of any liability of Chevron or any of the other Indemnitees.

4. Claimant hereby waives any and all rights to make any claims, demands or complaints against Chevron, either directly to Chevron or indirectly to any government agency or fishermen's contingency fund, for any past or future property damage or loss (including that resulting from preclusion) alleged to have been caused by or connected with the 4H Shell Mounds.

5. Claimant shall have ten (10) business days from the date of receipt of this letter to accept Chevron's offer by signing both copies of this letter in the space provided below and returning one fully-signed copy to Chevron.

You may return your acceptance in the enclosed addressed and stamped envelope or you may deliver it personally to the undersigned at the letterhead address.

Sincerely,

UNDERSTOOD, AGREED AND ACCEPTED:

HAL FISHER

Social Security No. _____

Address _____

Phone _____

Date _____

SACRAMENTO OFFICE
STATE CAPITOL, ROOM 5035
SACRAMENTO, CA 95814
(916) 445-5405

SAN LUIS OBISPO OFFICE
1260 CHORRO STREET, SUITE A
SAN LUIS OBISPO, CA 93401
(805) 547-1800

SANTA BARBARA OFFICE
3 WEST CARRILLO, SUITE F
SANTA BARBARA, CA 93101
(805) 966-2296

VENTURA OFFICE
89 S. CALIFORNIA STREET, SUITE E
VENTURA, CA 93001
(805) 641-1500

California State Senate

SENATOR
JACK O'CONNELL
EIGHTEENTH SENATORIAL DISTRICT



CHAIR
BUDGET & FISCAL REVIEW
SUBCOMMITTEE ON EDUCATION
COASTAL CAUCUS
MAJORITY CAUCUS
MEMBER
BUDGET AND FISCAL REVIEW
BUSINESS AND PROFESSIONS
CONSTITUTIONAL AMENDMENTS
EDUCATION
ENVIRONMENTAL QUALITY
JUDICIARY
NATURAL RESOURCES

June 14, 1999

EXHIBIT 3

The Honorable Cruz Bustamante, Chair
State Lands Commission
100 Howe Street, Suite 100-South
Sacramento, CA 95825-8202

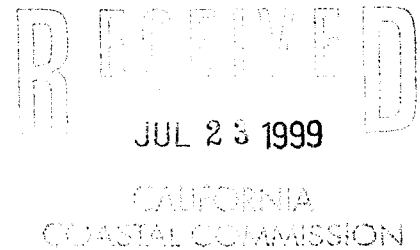
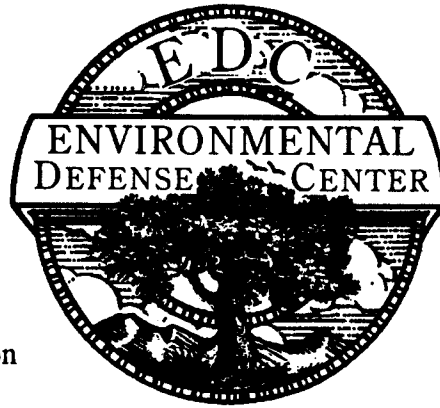
Dear Chairman Bustamante and Commissioners:

Thank you for this opportunity to comment on an issue of great concern to many of us in Santa Barbara County; Chevron's proposal to provide state of the art navigation and positioning equipment to existing trawl fishers in lieu of meeting an existing condition on the permit granted by the State Lands Commission for removal of the four "H" Platforms from State waters. That condition, which requires that the area where these platforms were once located pass a trawl test, has not been met and likely cannot be met unless the shell mounds located there are removed.

While we have some serious concerns about the merits of Chevron's proposal, that is clearly a matter for another day. We would, however, like to apprise the Commission about the concerns we have related to the process by which this proposal is apparently being reviewed. First of all, to our knowledge, Chevron has never formally applied for an amendment to its existing permit. All of the copies of correspondence that we have received merely indicate Chevron's desire to "bring closure" to its permit by providing state of the art navigation and positioning equipment to the trawl fishers. It seems that if Chevron wants to substitute its proposal for the existing condition, the Commission's permit must be amended.

Secondly, Chevron refuses to provide any study regarding the feasibility of removing the shell mounds, nor have any core borings been done at any of the mounds so that their composition can be verified. The only information on the composition of the mounds comes from a study which merely reviewed the daily drilling logs from the platforms and concluded that the drill muds and cuttings that were dumped underneath the platforms many years ago "**should not** (*emphasis added*) pose a risk to the environment". The question of a conflict of interest has been raised by the fact that this study was commissioned and paid for directly by Chevron, a concern expressed by the County of Santa Barbara in February of 1998. The Commission and its staff deserve to have the above information **before** any permit application is filed and deemed complete.

July 20, 1999



VIA FAX AND BY MAIL
Mr. Chris Kern
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105
Fax (415) 904-5400

Re: Chevron Shell Mounds (E-94-06) Abandonment of Chevron 4-H Platforms

Dear Chris,

This letter provides you with information regarding commercial fishermen's claims which show substantial harm due to the Chevron Platform Abandonment off the coast of Santa Barbara in violation of the Chevron 4-H Platform Abandonment Permit.

Chevron left piles of mollusk shells, drilling muds and cuttings which are 200 feet wide and 30 feet tall. These mounds were created from the workings, maintenance and abandonment of Chevron's platforms. The mounds pose a dangerous hazard to commercial fishermen. The mounds interfere with the trawlers' nets and cause extensive damage to fishing gear. The mounds also create a potential source of ocean pollution, given their content of toxic drilling muds and cuttings.

The Southern California Trawlers Association is aware of at least four boats with damaged gear as of halibut season opening June 16, 1997. Claims have been filed by Jeff Hepp and Ed Sylvester regarding destroyed nets and lost time. This year, fishers have been forced to avoid these sites to avoid further damage.

Enclosed are letters regarding claims from the Southern California Trawlers Association and related letters from the Pacific Coast Federation of Fisherman's Associations, Inc., Steve Dunn (a local fisherman), and Commerical Fisherman of Santa Barbara, Inc.. Given the substantial harm met by fishermen, EDC formally requests that you either 1) require Chevron to comply with its existing permit condition and remove the 4-H debris mounds; or 2) require Chevron to apply for an amendment to the abandonment permit and submit to full environmental and permit review.

Thank you for you time and consideration of this matter.

Very truly yours,

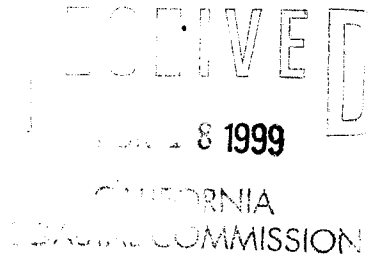
Tanya Gulesserian
Staff Attorney



June 3, 1999



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



Re: Chevron 4-H Platform Abandonment

Dear Honorable Commissioners,

This letter is submitted on behalf of the Environmental Coalition of Santa Barbara (Coalition) and the Pacific Coast Federation of Fishermen's Association (PCFFA) regarding Chevron's failure to comply with the 4-H Platform Abandonment permit issued by the State Lands Commission in 1994. The 4-H platforms were removed from June to August, 1996. According to Condition 4 of the permit, Chevron was required to verify site clearance and conduct a successful test trawl.

To this date, Chevron has failed to remove the debris left behind or demonstrate site clearance at the site. The mounds are approximately 20 feet high and 200 feet in diameter. The Coalition and PCFFA have made repeated requests to SLC staff to require Chevron to fully comply with its permit conditions. (See attached letters.) In the meantime, commercial fishers are excluded from fishing in this area due to the potential for gear damage and personal harm. Already, at least four trawlers have experienced gear damage from the presence of the debris mounds.

Rather than comply with the permit and remove the mounds, Chevron seeks to instead leave the mounds in place and provide a select group of trawlers with equipment that will help them detect the mounds and avoid damaging their gear. However, this proposal will continue to preclude fishers from utilizing this area for commercial fishing, in direct contradiction with the intent of the abandonment permit.

The proposal proffered by Chevron violates the abandonment permit in the following respects:

- the proposal to leave the debris mounds in place does not achieve site clearance as required by Condition 4;
- the proposal is not substantially similar to the existing permit conditions;



June 3, 1999

State Lands Commission – Chevron 4-H Platform Abandonment

Page 2

- the proposal does not mitigate impacts to navigation and fishing;
- the proposal constitutes a de facto amendment to the existing permit without complying with any environmental or permit review process;
- the proposal allows the debris mounds to remain permanently in place while only providing assistance to commercial fishers on a limited, short term basis, until October 31, 2000;
- the proposal applies only to trawl fishers and does not protect other types of fishers (including trap, seine and troll fishers);
- the proposal applies only to trawl fishers who have fished the area in the past two years, and does not protect any other fishers who may trawl in the area now and in the future; and
- the proposal will establish a precedent whereby other operators may leave debris in place, creating navigational and fishing hazards throughout the Santa Barbara Channel and other locations in California where offshore oil and gas platforms are located.

Pursuant to state law, Chevron may not modify its permit without resorting to a formal amendment process. Accordingly, **Chevron must be required to either (1) comply with its existing permit condition and remove the 4-H debris mounds; or (2) apply for an amendment to the abandonment permit and submit to full environmental and permit review.**

For the past couple years, former SLC Executive Officer Robert Hight asked Chevron to submit an amendment application. However, Chevron failed to do so. Now Chevron proposes to circumvent its permit condition without submitting to any formal review process. This scenario violates the California Environmental Quality Act (CEQA), as well as Chevron's own permit requirements.

Accordingly, Chevron must be required to submit an application for an amendment to its 4-H platform abandonment permit. SLC must conduct full environmental review of the application, including an analysis and comparison of all reasonable alternatives.¹ The EIR must analyze the cumulative impacts that may result if Chevron is allowed to leave the mounds in place. Any studies regarding removal options or the composition of the mounds (e.g., presence of toxic contaminants, potential for creating fish habitat) must be commissioned by SLC utilizing an objective, peer review and public process.

¹ / Ironically, SLC staff have informed EDC that an EIR would be required if Chevron complied with the permit and removed the mounds, but would not be required if Chevron violates the permit! This does not make sense and violates CEQA.

June 3, 1999

State Lands Commission – Chevron 4-H Platform Abandonment

Page 3

In conclusion, we urge the SLC to direct its staff to require that Chevron comply with its permit or submit an application for a permit amendment. If there is a public hearing on this issue, please schedule the hearing in **Santa Barbara, California**.

Thank you for your consideration of this important issue.

Sincerely,



Linda Krop
Chief Counsel

encs: Letters from County of Santa Barbara to Dwight Sanders, dated May 25, 1999
and October 14, 1997
Letters from EDC to Robert Hight, dated October 28, 1997, December 26, 1997,
May 5, 1998, August 20, 1998, and December 21, 1998

cc: Paul Thayer, SLC Executive Officer
State Senator Jack O'Connell
State Assemblywoman Hannah-Beth Jackson
Environmental Coalition of Santa Barbara
PCFFA
Luis Perez, County of Santa Barbara



County of Santa Barbara Planning and Development

John Patton, Director

May 25, 1999

RECEIVED

MAY 26 1999

BY: _____

Mr. Dwight Sanders
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

Re: "4H" Platform Shell Mound Removal

Dear Dwight:

In a May 13, 1999 conversation, Mr. Al Willard informed me that the State Lands Commission (SLC) intends to conduct a hearing in June to consider relieving Chevron of its requirement to remove the shell debris that accumulated beneath the 4H platforms in the Santa Barbara Channel. Mr. Willard explained that this decision was based on a report prepared by Chevron and because Chevron had reached a settlement over the mounds with a number of commercial fisher's groups. We are very concerned by this information, as we expected that the County of Santa Barbara would be included in any discussions and decisions made on this issue. Since that conversation, we have heard that the SLC plans to hear this item at the July meeting.

As you know, the County of Santa Barbara owns the property on which Platforms Hope and Heidi were once erected and has a vested interest in assuring that any decision regarding post abandonment activities be environmentally sound and to the benefit of the County's residents. We endorsed the Coastal Commission's (and SLC's) permit requirements for Chevron to remove the debris beneath the platforms upon abandonment, including the shell mounds. We also later agreed to a discussion process to evaluate options for the mounds, and requested continued involvement in the discussion and decision process in a letter to the SLC dated October 14, 1997 (attached).

At our most recent conference call on this matter on February 24, 1998, Energy Staff, along with Kirk Walker, yourself, and Alison Dettmer of the Coastal Commission discussed the status of the shell mounds. At that meeting, you explained that the SLC planned to commission the preparation of an informational document to look at the composition of the shell mounds, the habitat value, and the environmental effects of removing the shell mounds. That document would then be used as the basis for a discussion on the ultimate fate of the shell mounds. You also explained that the SLC intended to sole-source the contract for the informational document to a consultant with a long-standing working relationship with Chevron, to which the County expressed concern due to a potential conflict of interest. This was the last we heard of any of these plans until the May 13 conversation. We now understand that Chevron's report, along with

Energy Division

1226 Anacapa Street, 2nd Floor • Santa Barbara CA 93101-2010



County of Santa Barbara Planning and Development

John Patton, Director

October 14, 1997

Mr. Dwight Sanders
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

VIA FAX AND MAIL

FILE COPY

Re: Review of Chevron 4H Post Abandonment Survey

Dear Dwight:

The Energy Division completed its review of the Chevron State Platform Post Abandonment Debris Surveys (February, 1997) and offer the following comments.

The survey report appears technically sound and well conceived. The report data appears to meet the letter and intent of the State Lands Commission, Coastal Commission and Army Corps of Engineers permit requirements for post abandonment surveys and should greatly assist in any decisions regarding debris removal activities. The report also provides information (as described in Sections 5.1.4 and 5.1.5, the shell mounds are as large as 20 feet in diameter and rise as high as 26 feet above the sea floor) that supports the concerns expressed by fishermen regarding the obstruction the shell mounds represent.

Because the County of Santa Barbara owns the property on which platforms Hope and Heidi were once erected, we have a vested interest in assuring that any decision regarding post abandonment activities be environmentally sound and to the benefit of the County's residents. As evidenced recently in the June 4 and July 25, 1997 letters from the California Lobster and Trap Fishermen's Association and the Environmental Defense Center, respectively, the disposition of the shell mounds remains an issue of concern to local and regional fishers and harvesters. Further, the County's Joint Oil Fisheries Liaison Office received numerous correspondence over the past year regarding the shell mounds, ranging from general inquiries to claims of gear damage and revenue loss. In order to assure that the County remains fully informed of any developments, we are requesting that you copy us on all information pertinent to the shell mound issue.

We understand that the State Lands Commission is working with the California Department of Fish and Game (F&G) to obtain recommendations on the future of the shell mounds. Because of the keen public interest in this issue, we recommend active solicitation of public input on any future post abandonment options. Thank you for the opportunity to provide these comments. We look forward to our continued involvement with the State Lands Commission in this matter.

Sincerely,


LUIS PEREZ

Energy Specialist

CHEV4H.DOC

October 28, 1997



Mr. Robert Hight
State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

Re: Chevron Shell Mounds

Dear Robert,

Thank you for taking the time to talk with me last week about the Chevron shell mounds. As you know, the Environmental Defense Center represents the Environmental Coalition of Santa Barbara and five commercial fishing organization in their efforts to ensure complete removal of all platform-related debris, including the shell mounds. During our conversation you informed me that the State Lands Commission intends to conduct environmental review to analyze the feasibility and impacts of various removal options. You also committed to working with the commercial fishers to ensure interim protection for them and their gear.

The purpose of this letter is to confirm that you will work with Mike McCorkle to address the immediate and interim needs of the commercial fishers. I also want to stress that enforcement of the SLC permit should be the first priority in this matter; in other words, removal must be required if at all feasible. If Chevron desires to leave the mounds in place, the company must apply to the SLC and other relevant agencies to amend its existing permits. According to B & J Martin, Inc. (a corporation that conducts site clearance verifications in the Gulf of Mexico), the shell mounds may be removed by using a scallop dredge or chain gear. If you would like more information about removal options, please call Jimmie or Gail Martin at (504) 632-2727.

Regarding the allegation that the shell mounds may provide fish habitat, please be advised that we believe such discussion to be premature given the fact that Chevron has not filed an application to leave the mounds in place. As stated above, Chevron's permits require immediate removal of the mounds. However, if in the future such an application is submitted, it is critical that the SLC require thorough scientific study of the issue before taking action. A regional ecological study should be conducted, comparing the function of the shell mounds to other natural reef habitats in the area. In addition, a thorough toxicology study should be conducted by taking core samples from various locations within the mounds.





December 26, 1997

Mr. Robert Hight
Executive Officer
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95814

Re: Chevron 4-H Platform Removal – Shell Mounds

Dear Mr. Hight,

The purpose of this letter is to confirm our conversations on October 23 and December 23, 1997, during which you agreed to direct Chevron to immediately install devices visibly marking the shell mounds that were not removed as part of the 4-H Platform abandonment project. As of the date of our conversation on December 23, Chevron had not installed any protective devices. Instead, you informed me that Chevron seeks to meet with EDC and the commercial fishers regarding long-term options to keep the shell mounds in place. At the end of our discussion, you again advised me that you would direct Chevron to install visible markers, acceptable to the commercial fishers, pending any such meeting. The purpose of this letter is to confirm that commitment and to inform you (and Chevron) that the fishers will not accommodate any further delays in this matter.

As noted in our earlier correspondence, the failure to remove the mounds constitutes a violation of Chevron's SLC permit. We have been patient in our monitoring of this issue due to the State Lands Commission's expressed intent to analyze various removal options for the shell mounds. In the meantime, as you know, several commercial fishers have incurred significant gear damage and loss due to the presence of the shell mounds. It has been over two months since you agreed to direct Chevron to install temporary marking devices to protect the fishers pending the outcome of the Commission's evaluation.

Please insure that Chevron immediately either removes the offending shell mounds or installs a temporary warning system for the fishers. For details about the nature of the system, please contact Mike McCorkle at 566-1400.



May 5, 1998



Robert Hight, Executive Director
State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

Re: Chevron 4-H Platform Abandonment

Dear Mr. Hight,

This letter is sent by the Environmental Defense Center (EDC) on behalf of the Environmental Coalition of Santa Barbara (Sierra Club, League of Women Voters of Santa Barbara, and Citizens Planning Association) and Pacific Coast Federation of Fishermen's Associations (PCFFA), regarding Chevron's failure to remove the remaining debris from the former site of the 4-H platforms off the coast of Santa Barbara County. As we have stated for the past year, Chevron's failure to remove the debris under the platforms constitutes a violation of the State Lands Commission's Mitigation Monitoring Program and the stipulations that were incorporated into Chevron's Offshore Oil Platform Abandonment and Removal Project in the Santa Barbara Channel.

The State Lands Commission is responsible under the California Environmental Quality Act (CEQA) to adopt a reporting or monitoring program to mitigate or avoid significant effects on the environment. (Pub.Res.Code §21081.6.) Furthermore, the SLC "shall provide that measures to mitigate or avoid significantly effects on the environment are fully enforceable through permit conditions, agreements, or other measures." (§21081.6(b), emphasis added.)

In this case, the SLC adopted a Mitigation Monitoring Program (MMP) that incorporated mitigation measures to mitigate or avoid impacts associated with the abandonment and removal of the 4-H offshore platforms. The MMP included a condition that specifically required cleanup of the site after removal of the platforms:

5. Impact: Debris may have accumulated on the ocean bottom during the operations of the platforms or from the dismantling operations.



May 5, 1998

Robert Hight: Chevron 4-H Platform Abandonment

Page 3

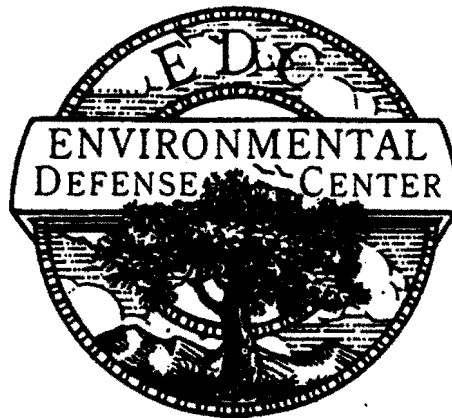
the SLC made findings that abandonment would restore the marine environment "to its natural state" ("Mandatory Findings of Significance," page 5-107, emphasis added). With respect to commercial fishing impacts, the ND noted that: "By allowing access to previously inaccessible areas, the removal of the platform structures is anticipated to have a beneficial impact on the local commercial fishing industry. Once the platforms are removed, it is foreseeable that fishing methods currently practiced in the nearby, nearshore region will expand into the former platform locations. Drag net trawling for halibut, stationery gill netting, and trolling will likely be utilized in the waters formerly occupied by the platforms. Trapping operations will also likely expand into these waters." (Page 5-87.)

Despite Chevron's efforts to convince a group of commercial trawlers to withdraw their support for complete site clearance, neither Chevron nor the trawlers have the authority to waive SLC's legal obligations under CEQA to enforce the MMP and related permit conditions. As stated above, the MMP and stipulated conditions approved by the SLC in 1994 clearly require removal of all materials and restoration of the marine environment to its natural state. This requirement must be enforced by the SLC pursuant to CEQA §21081.6. Any amendment to the MMP or permit requirements must be considered only after completion of a formal public review process that considers the interests of all affected parties, including current fishers that may not be covered by Chevron's offer and future generations of fishers that will be impacted by the presence of the cutting piles and shell mounds.

Finally, the SLC has an obligation under the Public Trust Doctrine to protect state tidelands for the benefit of all the public. A clean and healthy marine environment is essential for the wellbeing of the people of this State. As stated in the ND, drill cuttings were dumped from the platforms and may be imbedded within the mounds of shells. The SLC must insure the complete cleanup of any toxic materials that may leach into the environment. Cleanup of contaminated materials, removal of commercial fishing obstructions, and restoration of the marine environment are essential to protect and preserve the state's Public Trust resources. In addition, under the Public Trust Doctrine, the SLC has an obligation to all commercial fishers, present and future, not just those who sign agreements with Chevron.

In sum, the SLC is liable under CEQA and the Public Trust Doctrine to insure the immediate removal of the shell and cuttings mounds that remain from the Chevron 4-H platform abandonment project. If feasible, the SLC should require Chevron to remove the mounds with the same technology that was used to remove the platform structures. Immediate enforcement must be the first priority; alternative mitigation measures or stipulations may not be approved until thorough environmental and public review is completed. If SLC decides to pursue supplemental environmental review to consider alternative measures, temporary measures must be required to provide interim mitigation and protection for commercial fishers who may utilize the affected area.

August 20, 1998



Mr. Robert Hight, Executive Director
State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

Re: Chevron 4-H Platform Abandonment

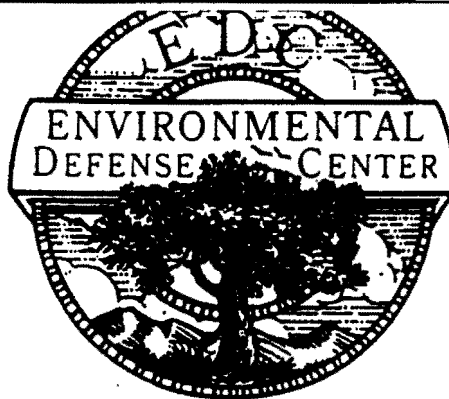
Dear Robert,

Thank you for sending me copies of the most recent correspondence between Chevron and your office. Although we are pleased to see that Chevron is considering providing equipment to some commercial fishers, we remain concerned about the residual significant impact caused by the preclusion of fishing in the areas surrounding the abandoned shell mounds. We are also concerned about the residual impacts to the environment and to fishers who are not covered in the new mitigation program. Our clients, the Environmental Coalition of Santa Barbara and Pacific Coast Federation of Fishermen's Associations (PCFFA) continue to believe that Chevron must submit an application for a permit amendment if the company seeks to modify existing Mitigation Monitoring Program condition 4. This condition, which requires that Chevron provide verification of site clearance, was imposed to mitigate impacts to commercial fishing operations that may result from the presence of seafloor obstructions. The effect of this mitigation measure is to ensure complete site clearance and restored accessibility to a historic fishing area. Removal of the mounds would also eliminate a potential source of ocean pollution, given the presence of toxic drilling muds and cuttings.

It has been almost a year since SLC staff stated their intention to require an amendment and full environmental review before allowing a modification of this condition. However, no such process has commenced. Instead, Chevron has repeatedly attempted to convince SLC staff to accept an alternative measure other than removal. Specifically, Chevron proposes to provide certain fishers with equipment that will help them *avoid* the shell mounds. This measure would not provide site clearance, as required in the Mitigation Monitoring Program, nor would it mitigate the impact to the fishing community of being *precluded* from utilizing these sites. Furthermore, the measure would not provide protection to fishers who are not included in the program, whether they be existing fishers who have not historically fished in this area, or future fishers who may damage their gear on the mounds.



December 21, 1998



Mr. Robert Hight
State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

Re: Chevron 4-H Platform Removal Project

Dear Mr. Hight,

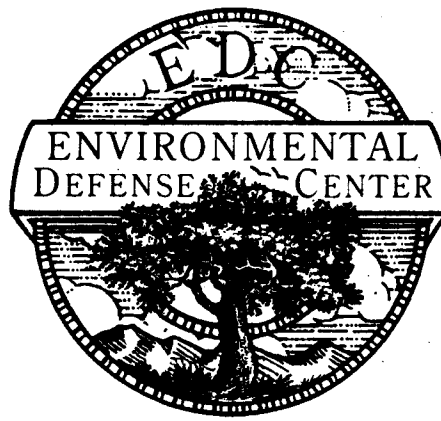
Earlier this month, you and I discussed Chevron's continued failure to remove the shell mounds and other debris remaining from the 4-H platform removal project. At that time, you informed me that Chevron was planning to request "relief" from its State Land Commission permit condition requiring verification of site clearance. As part of this request, Chevron will submit a proposal to leave the shell mounds in place and provide GPS equipment to commercial fishers. You also informed me that Chevron is conducting a "study" of the shell mounds.

After discussing this matter with my clients, the Environmental Coalition of Santa Barbara (comprised of the Sierra Club, League of Women Voters, and Citizens Planning Association) and the Pacific Coast Federation of Fishermen's Associations (PCFFA), I would like to relay their response to this proposal:

1. If Chevron seeks "relief" from a permit condition, the only lawful mechanism is to submit an application for a permit amendment. SLC must continue to insist that Chevron submit such an application. If Chevron fails to submit an application by a date specified by SLC, SLC should initiate enforcement action.
2. Provision of GPS equipment does not mitigate the preclusion impacts generated by the presence of the shell mounds. In addition, fishers who are not part of the compensation program will be vulnerable to damage, injury, and even death due to the presence of the mounds. Buoys have proven to be ineffective markers of the hazardous shell mound conditions.
3. The "study" of the shell mounds should be conducted by an independent third party, selected or approved by SLC. The study should include core samples, to determine the chemical and biological composition of the mounds.



December 21, 1998



Mr. Robert Hight
State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825-8202

RECEIVED
DEC 23 1998

CALIFORNIA
COASTAL COMMISSION

Re: Chevron 4-H Platform Removal Project

Dear Mr. Hight,

Earlier this month, you and I discussed Chevron's continued failure to remove the shell mounds and other debris remaining from the 4-H platform removal project. At that time, you informed me that Chevron was planning to request "relief" from its State Land Commission permit condition requiring verification of site clearance. As part of this request, Chevron will submit a proposal to leave the shell mounds in place and provide GPS equipment to commercial fishers. You also informed me that Chevron is conducting a "study" of the shell mounds.

After discussing this matter with my clients, the Environmental Coalition of Santa Barbara (comprised of the Sierra Club, League of Women Voters, and Citizens Planning Association) and the Pacific Coast Federation of Fishermen's Associations (PCFFA), I would like to relay their response to this proposal:

1. If Chevron seeks "relief" from a permit condition, the only lawful mechanism is to submit an application for a permit amendment. SLC must continue to insist that Chevron submit such an application. If Chevron fails to submit an application by a date specified by SLC, SLC should initiate enforcement action.
2. Provision of GPS equipment does not mitigate the preclusion impacts generated by the presence of the shell mounds. In addition, fishers who are not part of the compensation program will be vulnerable to damage, injury, and even death due to the presence of the mounds. Buoys have proven to be ineffective markers of the hazardous shell mound conditions.
3. The "study" of the shell mounds should be conducted by an independent third party, selected or approved by SLC. The study should include core samples, to determine the chemical and biological composition of the mounds.



Pietro Parravano
President
David Bitts
Vice-President
Barbara Stickel
Secretary
Robert Miller
Treasurer

**PACIFIC COAST FEDERATION
OF FISHERMEN'S ASSOCIATIONS**
INCORPORATED

WEB: <http://www.pond.net/~pcffa>

W.F. "Zeke" Grader, Jr.
Executive Director
Nathaniel S. Bingham
Habitat Protection Director
Glen H. Spain
Northwest Regional Director
Mitch Farro
Fishery Enhancement Director

Please Respond to:

☒ California Office

P.O. Box 29910
San Francisco, CA 94129-0910
Tel: (415) 561-5080
Fax: (415) 561-5464

☐ Office of the President

215 Spruce Street
Half Moon Bay, CA 94019
Tel: (650) 726-1607
Fax: (650) 726-1607

☐ Habitat Office

P.O. Box 783
Mendocino, CA 95460
Tel: (707) 937-4145
Fax: (707) 937-2617

☐ Northwest Office

P.O. Box 11170
Eugene, OR 97440-3370
Tel: (541) 689-2000
Fax: (541) 689-2500

10 June 1999

Mr. Paul Thayer, Executive Officer
California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202

RE: Chevron 4-H Platform Abandonment, Interim Mitigation for Trawl Fishery

Dear Mr. *Paul* Thayer:

The Pacific Coast Federation of Fishermen's Associations (PCFFA) represents working men and women in the west coast commercial fishing fleet. We are writing in support of:

- 1) an interim mitigation agreement between Chevron and trawl fishermen operating in the Santa Barbara Channel for payment for navigation gear to avoid Chevron's 4-H debris mounds and other debris related to that company's operations at the 4-H platforms; and
- 2) an immediate order from the State Lands Commission that Chevron either (a) comply with its existing permit condition to remove the 4-H debris mounds, or (b) apply for an amendment to the abandonment permit and submit to full environmental and permit review.

MITIGATION FOR TRAWL FISHERY

Fishing operations in and around the 4-H platforms have been severely impacted, the trawl fishery in particular has suffered. Trawlers have lost important fishing grounds and, in a number of instances, trawl nets have been damaged, destroyed or lost as a result of hanging up on the debris mounds and other debris on the seafloor resulting from the operations of the 4-H platforms.

For years now, trawl fishermen, represented by the Southern California Trawlers Association, have been attempting to get some form of mitigation for their losses. A tentative agreement has been reached between Chevron and the Trawlers Association to provide the affected trawlers financial compensation to purchase high accuracy navigation equipment to help them avoid the 4-H debris mounds. The reason for providing a financial package to each affected trawler, as opposed to a direct purchase of the equipment for that fleet, is that each vessel and operator has different requirements and fishing practices; a "one size fits all" package is simply not practical.

Mr. Paul Thayer

10 June 1999

Page Two

In the absence of an immediate clean-up undertaken in the next sixty (60) days and to be completed in not less than one hundred eighty (180) days, PCFFA requests that Chevron be ordered to implement the mitigation measure for the trawlers that was negotiated with the Southern California Trawlers Association. The trawl fishermen in this area cannot afford any further delays in a decision on the clean up of the 4-H debris mounds and the undertaking of the physical removal of the debris mounds.

COMPLIANCE WITH PERMIT CONDITIONS

PCFFA believes it is imperative that the oil industry fully comply with the conditions of its permits for oil and gas exploration and development on state water bottoms. If it cannot comply with the conditions of its permits - including conditions for project abandonment, or believes there is a compelling reason for a change in the permit conditions regarding debris removal and clean-up, then it should be required to apply for an amendment to the abandonment permit and submit to full environmental and permit review.

The reasons for requiring full compliance with conditions in the abandonment permit or, in the alternative, requiring Chevron to submit to full environmental and permit review if it seeks to modify the permit conditions are as follows:

Impacts on Other Fisheries. While PCFFA fully supports providing interim mitigation to trawl fishermen, as negotiated between Chevron and the Southern California Trawlers Association, that mitigation package does not cover other fishing gear types (e.g., hook-and-line, purse seine) who may be affected by the debris mounds now or in the future. Moreover, the mitigation package does not cover future participants in the trawl fishery in this area.

Changed Bottom Environment. The debris mounds and other debris resulting from the operations at the 4-H platforms has changed the environment of the seabed. A condition of the abandonment permit for the 4-H platforms is to remove the debris, including the shell mounds, to restore the bottom habitat to what it was prior to placement and operation of the 4-H platforms. If, as Chevron now contends, that the shell mounds have created new habitat or the immediate environment would be threatened by releasing toxics from the debris mounds during a removal, then that should be considered through the course of an amendment and full environmental review - not simply through a State Lands Commission waiver as Chevron is seeking.

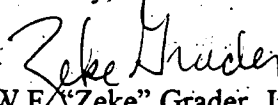
Public Policy. Finally, there is a compelling public policy reason for requiring full compliance with the permit conditions for abandonment. Allowing Chevron or any other permit holder from State Lands (or the Coastal Commission or any other regulatory/permitting agency) to get waivers from conditions placed on their permits once they are finished with their activities (in this instance the extraction of oil) sets a dangerous precedent. Will other oil companies or permit holders from State Lands now be able to pick and choose which conditions in their permits they will comply with? What assurances does State Lands

Mr. Paul Thayer
10 June 1999
Page Three

have in granting a permit that mitigation measures or other permit conditions will be complied with by a permit holder if permit holders can subsequently and routinely seek waivers without so much as a full environmental and permit review? What confidence can the public have in its State permitting agencies that conditions, including mitigation measures, on those seeking permits will be enforced? Waiving now Chevron's conditions in its permit for removal and clean-up of the debris mounds from its 4-H platform operations, without the company applying for an amendment to the permit and full environmental and permit review, places State Lands on the proverbial "slippery slope" when dealing with other oil companies and permit holders when requiring their compliance with significant permit conditions.

For the reasons cited above, PCFFA respectfully requests the State Lands Commission to approve and enforce an interim mitigation package, as negotiated for the trawl fishery, and require Chevron to fully comply with the conditions in its abandonment permit for the 4-H platforms or apply for an amendment to the abandonment permit with full environmental and permit review. If you, any members of the Commission, or staff have any questions regarding this request, please contact our office.

Sincerely,


W.F. "Zeke" Grader, Jr.
Executive Director

WFG:rttd

cc: The Honorable Cruz Bustamante, Lt. Governor of California
The Honorable Kathleen Connell, State Controller
Mr. Timothy Gage, Director of Finance
The Honorable Jack O'Connell, State Senate
The Honorable Hannah-Beth Jackson, State Assembly
✓ Mr. Peter Douglas, Executive Officer, California Coastal Commission
Mr. Robert Hight, Director, California Department of Fish & Game
Commercial Fishermen of Santa Barbara, Inc.
Southern California Trawlers Association
Environmental Defense Center

