

April 14, 2014

Ken Robertson
Community Development Department
1315 Valley Drive
Hermosa Beach, CA 90254
oilproject@hermosabch.org

RE: E & B Oil Drilling & Production Project: Draft Environmental Impact Report

Dear Mr. Robertson,

On behalf of Los Angeles Waterkeeper (“Waterkeeper”), we submit the following comments to the City of Hermosa Beach (“City”) on the E & B Oil Drilling & Production Project: Draft Environmental Impact Report (“DEIR”) to assess potential significant environmental impacts of the proposed oil development project in the City (“Project”). Our review of the DEIR reveals that the report fails to provide full disclosure and adequate analysis of several potential sources of discharge that could significantly impact water quality and suffers from other deficiencies under CEQA. Specifically, the DEIR does not include a thorough assessment of the Project’s water quality and water resources impact, as well as impacts resulting from oil spills and other hazardous conditions. As a result, the DEIR falls short of CEQA directives and cannot serve as an informational document that will apprise the public of environmental impacts and guide decision-makers in evaluating the Project. Pub. Resources Code, § 21061. The DEIR should be extensively revised to address these shortcomings.

I. CEQA REQUIREMENTS

Under CEQA, an Environmental Impact Report (EIR) must provide decision makers and the public with information related to a project’s significant effects on the environment, mitigation options, and project alternatives. *See* Pub. Resources Code § 21061 (“The purpose of an [EIR] is to provide . . . detailed information about the effect which a proposed project is likely to have on the environment.”); 14 CCR § 15151. A “significant effect on the environment” is a potential effect from the current project or cumulative effect from multiple projects that could degrade the quality of the environment or cause substantial adverse effects on human beings. Pub. Resources Code §§ 21068, 21083, 21060.5. In the event that a possible significant effect is deemed not significant, the EIR must provide a brief explanation of why the effect is not significant. 14 CCR § 15128.

An EIR’s legal sufficiency is based on the adequacy and completeness of information provided in the document. 14 CCR § 15151. To satisfy these requirements, an EIR must present information “in a manner calculated to adequately inform the public and decision makers, who may not be previously familiar with the details of the project,” and should not scatter analysis throughout the report. *Habitat and Watershed Caretakers v. City of Santa Cruz*, 152 Cal. Rptr. 3d 888, 902 (Cal. App. 6th Dist. 2013). Courts have found that an agency’s failure to include relevant information in an EIR is “a prejudicial abuse of discretion . . . [when] the failure . . . precludes informed decision making and informed public participation . . .” *E.g. Plan. and Conservation League v. Castaic Lake Water Agency*, 103 Cal. Rptr. 3d 124, 152-53 (Cal. App.

2d Dist. 2009). Moreover, an agency must not approve a project without assessing feasible alternatives and mitigation measures. Pub. Resources Code § 21002. “To ensure that all reasonable alternatives . . . are thoroughly assessed . . . , [an] EIR must contain facts and analysis, not just the agency's bare conclusions or opinions.” *Al Larson Boat Shop, Inc. v. Bd. of Harbor Commissioners*, 22 Cal. Rptr. 2d 618, 623 (Cal. App. 2d Dist. 1993)

Unfortunately, as discussed in detail below, the DEIR for the Project fails to present and consider all the relevant information and facts and therefore lacks analysis related to numerous foreseeable environmental impacts of the Project. The DEIR should therefore be revised.

II. HYDROLOGY AND WATER QUALITY

a) 4.9.1.6 Water Quality

Page 5, Water Quality

The DEIR fails to meet the requirements of CEQA by not including facts and analysis related to impacts that a discharge from the proposed Project would have on the water quality and beneficial uses of Hermosa Beach and the Santa Monica Bay (Bay) generally. A discharge from the Project may include such pollutants as salt water, hydrochloric acid (HCL) and other chemicals added to injected water, oil, dissolved gases such as carbon dioxide, bacteria, other living organisms, metals, sulfur, and other pollutants. DEIR at 4.14-11. A discharge from the Project to the Bay would therefore negatively impact the following beneficial uses that are not mentioned in the DEIR, water contact recreation (REC 1), marine habitat (MAR), wildlife habitat (WILD), commercial and sport fishing (COMM), and shellfish harvesting (SHELL). Los Angeles Basin Plan p. 2-27 & 32; Ocean Plan p. 4-10.¹

The DEIR's omission of the Bay's water quality standards and beneficial uses is inconsistent with CEQA Guidelines because the DEIR does not consult with the Ocean Plan and L.A. Basin Plan. CEQA Appendix G: Environmental Checklist Form at 7. Moreover, because the DEIR does not provide the beneficial uses, water quality standards, or analyze the impacts of discharge from the Project on these metrics, the public and the lead agency cannot accurately assess the significant effects that the Project might have on environment, the need for mitigation efforts, or the desirability of seeking project alternatives. Therefore, to comply with CEQA, the DEIR must be revised to include an analysis of potential effects on beneficial uses of the Bay. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d at 152-53.

b) 4.9 Water Quality

Page 1-19, Water Quality

The DEIR fails to meet the requirements of CEQA because it does not mention or analyze potential impacts stemming from the hydrologic connection between the West Coast Groundwater Basin (Basin) and the Bay. *See* Pub. Resources Code § 21061 (the EIR must provide “detailed information about the effect which a proposed project is likely to have on the environment”). The DEIR does mention the connection between groundwater and ocean water in the vicinity of the Project. DEIR at 4.9-4. However, no analysis is provided of the potentially significant impacts from this connection on the water quality of the Bay, including degradation of water quality and violations of water quality standards that may result from contamination discharged as a result of

¹ Confusingly, however, the DEIR does consider beneficial uses of the West Coast Groundwater Basin (Basin). DEIR at 4.9-5.

the Project into the Basin which is connected with the Bay. By omitting this information, decision makers and the public have not been informed that the Bay could be significantly affected by contaminated groundwater through submarine groundwater discharge (SGD).² Moreover, because the EIR does not consider SGD, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives. Therefore, if the EIR is not revised to include an analysis of possible impacts from SGD to the Bay, a court will likely find there has been an abuse of discretion because information related to significant environmental impacts was not communicated to decision-makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d at 152-53.

c) 2.4.2.1 Phase 2 Site Geology and Drilling Objectives

Page 20; Phase 2 Site Geology and Drilling Objectives

The DEIR fails to meet the requirements of CEQA by not mentioning or analyzing the impacts of all possible well stimulation to be utilized by the Project. E&B's application mentions two well stimulation techniques that are not considered or analyzed in the DEIR: high rate gravel pack (gravel packing) and the use of acid (acidizing). E&B, Attachments to Project Description, C6-C9. By omitting this information, decision-makers and the public have not been informed about two practices that could have significant effects on the environment.

Gravel packing is a well stimulation technique that introduces high pressure and sand to the oil producing zone. This practice can create fractures that allow oil, gas, and contaminated water to migrate vertically to the Basin, the Bay, or the City. Acidizing creates a risk that dangerous chemicals, i.e. hydrochloric acid (HCL),³ could be introduced to the surrounding environment in the event of a spill. By not including the possible use of well stimulation techniques, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives. Therefore, if the EIR is not revised to include an analysis of the possible impacts of well stimulation techniques that will be used at the Project, a court will likely find there has been an abuse of discretion by the City because information related to significant environmental impacts was not communicated to decision makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d 152-53.

d) 2.4.5.1 Phase 4 Processing and Operations

Page 60-62, Phase 4 Processing and Operations

2.4.5.1 Phase 4 Processing and Operations

Page 68, Table 2.12 Phase 4 Drilling Chemicals

2.4.2.2 Phase 2 Construction and Drilling Activities

Page 37, Table 2.6 Phase 2 Testing Chemicals

The DEIR fails to meet the requirements of CEQA by not providing a list of all chemicals to be used and injected into oil producing zones. By failing to provide this information, the DEIR

² Knee and Paytan, *Submarine Groundwater Discharge: A Source of Nutrients, Metals, and Pollutants to the Coastal Ocean*, 4 TREATISE ON ESTUARINE AND COASTAL SCIENCE 205–233 (2011).

³ According to its Material Safety Data Sheet (MSDS), HCL (H3880) is “Corrosive. Causes skin and eye burns. May be fatal if swallowed or inhaled. Prolonged exposure may cause chronic effects. . . . Components of this product are hazardous to aquatic life. May cause long-term adverse effects in the environment.” OSHA requires manufacturers and distributors of chemicals to issue MSDS. 29 CFR 1910.1200.

does not allow for an adequate assessment of the effects a spill of fluids containing these chemicals would have on water quality of the Bay or Basin. While general information about chemicals in produced groundwater is provided in Section 4.14 at page 11, this generalized information cannot inform decision makers and the public about the impact of any chemicals that will be injected to wells at the Project. By omitting this information, decision makers and the public do not have enough information to adequately assess the potential significant effects on the environment because they are not being informed that dangerous chemicals, such as hydrochloric acid (HCL), are going to be introduced to the environment. Moreover, by not analyzing the chemicals that E&B will be injecting, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives. Therefore, if the EIR is not revised to include an analysis of chemicals that will be injected to the oil producing zone, a court will likely find there has been an abuse of discretion by the City because information related to significant environmental impacts was not communicated to decision makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d 152-53.

e) 2.4.1.1 Phase 1 Construction Activities

Page 11, Table 2.2 Proposed Oil Project Design Parameters

The DEIR fails to meet the requirements of CEQA by not including facts and analysis of water quality impacts related to the pressures that will be achieved in the oil producing zones. The use of high pressure in an oil producing zone can create fractures that create pathways for oil, gas, and contaminated water to migrate vertically to the Basin, the Bay, or the City. By omitting this information, decision makers and the public will not have the information needed to assess the significant effects on the water quality that high pressure oil extraction techniques can create. Moreover, by not providing this information, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives. Therefore, if the EIR is not revised to include an analysis of the significant effects associated with high pressure oil extraction, a court will likely find there has been an abuse of discretion by the City because information related to significant environmental impacts were not communicated to decision makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d 152-53.

f) 2.4.5 Drill Remaining Wells

Page 2-59, Re-Drilling of Wells

The DEIR falls short of CEQA requirements because it fails to provide an adequate description of the re-drilling process or analyze the impacts re-drilling might have on the environment and water resources. The DEIR merely states that re-drilling is unlikely to occur, but does not provide any information that allows decision-makers and the public to properly assess the likelihood of additional re-drilling or what the re-drilling process is. Further, the DEIR makes no effort to analyze significant effects that might be unique to re-drilling compared to drilling. Without this information, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives. Therefore, if the EIR is not revised to include an adequate description and an analysis of the impacts of re-drilling, a court will likely find there has been an abuse of discretion by the City because information related to an activity that may cause significant environmental impacts has not been communicated to decision makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d 152-53.

g) 2.4.2.2 Phase 2 Construction and Drilling Activities

Page 36, Facility Storm Drain system

“The Proposed Oil Project Site is designed to retain, process, and inject storm water within the perimeter fence or wall for a 100-year storm event. All rainwater falling on the site would be collected and pumped into the water processing system for injection into the oil reservoir. In addition, any spills on the site would also be contained, both within process system walls/berms around equipment and site walls/berms around the site. Process walls/berms would be designed to contain at least 110 percent of the largest vessel plus the precipitation generated by a 100-year storm event.”

The DEIR fails to provide a clear description of the facility’s capacity to contain spills. The DEIR seems to assume that all spills and storm-water will be contained onsite and injected into the ground after Phase 1. However, it is unclear that the site has the capacity to contain all spills based on conflicting and confusing qualitative statements in the DEIR. Some portions of the DEIR indicate there will be 110 percent containment capacity for each vessel at the Project. DEIR at 2-36. While other portions state there will be containment capacity equal to 110 percent of the largest vessel. DEIR 4.9-11. Moreover, while in the discussion on impacts to water quality from spills, the DEIR states that small onsite spills would be contained, the report has no discussion about bigger onsite spills but rather jumps straight to a discussion on large pipeline spills. DEIR 4.9-16.

Therefore, the DEIR fails to provide decision makers and the public with the information needed to properly assess the significant effects that an onsite spill could have on the environment and water quality in the Bay and the Basin. Moreover, by not providing a clear description and thorough analysis of onsite spill containment capacity, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives. Therefore, if the EIR is not revised to include a clear description and analysis of the proposed site’s containment capacity, ideally with a quantitative analysis of all possible spill volumes and containment volumes at each phases, a court will likely find there has been an abuse of discretion by the City because information related to significant environmental impacts was not communicated clearly to decision makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d 152-53.

h) 4.9 IMPACT # HWQ.2

Page 17, Mitigation Measures

“According to Section 4.8, Safety, Risk of Upset, and Hazards section, under worst-case conditions, maximum estimated spill volumes at the Project Site would be from a catastrophic failure of one of the oil shipping tanks to be constructed during Phase 3, which would have a capacity of 2,900 barrels. The tank area would be surrounded by a containment berm, sufficient in height to retain 110 percent of the volume of the largest tank, as well as any contingency for rainwater and other liquids.”

The DEIR fails to meet the requirements of CEQA by failing to provide facts and adequate analysis for a worst-case onsite spill. In Section 4.9, while referencing Section 4.8, the DEIR states that the worst-case scenario for an on-site spill is a release of 2,900 barrels from a shipping tank. However, section 4.8 indicates that the worst-case scenario would be a drilling blowout. Moreover, the DEIR seems to ignore the possibility that a spill could occur as a consequence of multiple Project components, such as all shipping tanks on site and drilling blowout, failing at the same time which could occur as a result of human error or seismic activity for example.

Therefore, the DEIR fails to provide decision makers and the public with information needed to properly assess the significant effects that an onsite spill could have on the environment. Moreover, by not providing a clear description and thorough analysis of onsite spill potential, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives. Therefore, if the EIR is not revised to include a clear description and analysis of onsite spill capacity, a court will likely find there has been an abuse of discretion by the City because information related to significant environmental impacts was not communicated to decision makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d 152-53.

i) 4.9 IMPACT # HWQ.1

Page 15, Proposed City Maintenance Yard Project Site

“However, construction would be completed in accordance with a standard SWPPP, as described above, such that impacts would be less than significant.”

The DEIR fails to independently provide and analyze BMPs for the Proposed City Maintenance Yard Project Site and BMPs specific to the Proposed Pipeline for the Project. The DEIR concludes that construction activity at the three locations of the Project do not pose a significant risk to water quality by analyzing BMPs for just the Proposed Project Site and then stating that similar BMPs will be adopted for the Maintenance Yard and the Pipeline. As a result, neither decision-makers nor the public have the information needed to properly assess significant effects that construction activity could have on the environment at either the Maintenance Yard or Pipeline. Moreover, by not providing a clear description and analysis of the BMPs for the Maintenance Yard and the Pipeline, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives.

For the Maintenance Yard, referring to the Project Site’s BMPs is inappropriate because the structures built at maintenance yard are different than the structures built at an oil field and the physical characteristics of the two sites are different, i.e. topography, what is currently located at the sites, and the surrounding environment. For the Proposed Pipeline, referring to the Project Site’s BMPs is inappropriate because a pipeline structure is different than the structures typically built at an oil field and the pipeline will be built over a long distance at the surface while the Project Site will be confined to the site lot. Therefore, if the EIR is not revised to include specific BMPs for construction activities at the Maintenance Yard and the Pipeline, a court will likely find there has been an abuse of discretion by the City because information related to significant environmental impacts was not communicated to decision makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d 152-53.

j) Section ES, Executive Summary

Page 9, Hydrology (see also 4.9 IMPACT # HWQ.2, Page 19, Residual Impacts)

“[A] release from the pipeline between the Project Site and Prospect Avenue, near the corner of Herondo Street and Valley Drive, could produce a spill of 4,800 gallons that could drain directly into subsurface soils and/or to the ocean through storm drains. Mitigation measures, in addition to those listed for Biology, include spill training, the required spill control equipment, the installation of a check valve into the crude oil pipeline at Herondo Street and the installation of an oil separator in storm drain systems of Herondo Street. These mitigation

measures would reduce the frequency or severity of a spill reaching the ocean, but impacts would remain significant and unavoidable.”

The DEIR fails to provide facts and analysis related to possible alternatives for the capture device to be installed at the Herondo Street storm drain. While the DEIR provides a vague description of the capture device, there is no discussion of the device’s oil capturing capacity, or other factors such as the cost of the device or whether better available technology exists. Therefore, the DEIR is not in compliance with CEQA, and the EIR should be revised to include sufficient facts and analysis to demonstrate that the Project is not being approved without examining better feasible alternatives or mitigation efforts.

k) 2.4.2.1 Phase 2 Site Geology and Drilling Objectives

Page 20, Phase 2 Site Geology and Drilling Objectives

“The Proposed Oil Project would utilize directional drilling techniques to access the crude oil and gas reserves in the tidelands (offshore) and uplands (offshore) in the portions of the Torrance Oil Field within the City’s jurisdiction. The Project Application states that “no hydraulic fracturing (or “fracking”) of wells will occur because the geologic zones for the Proposed Project are permeable and capable of yielding oil and gas without hydraulic fracture stimulation.”

The DEIR fails to meet the requirements of CEQA by failing to inform the public that if the Project is approved, it will be contingent on the fact that hydraulic fracturing will not occur unless a process that allows for public participation is mandated. While the DEIR states that E&B does not intend to conduct hydraulic fracturing at the present time, the report fails to inform the public of what legal mechanism would keep E&B from changing their minds and changing the Project to include hydraulic fracturing after receiving approval. Therefore, as it is currently written, the DEIR precludes the public’s ability to make an informed decision with regards to any potential use of hydraulic fracturing in the future. To comply with CEQA, the City should revise the EIR to inform the public that the Project will be approved under the condition that hydraulic fracturing will not occur, and what process will apply in the event that E&B seeks to change the Project. *See* 14 CCR § 15151; *In re Bay-Delta Programmatic Evtl. Impact Rpt. Coordinated Proceedings*, 184 P.3d 709, 722 (Cal. 2008) (“The purpose of an EIR is to give the public and government agencies information needed to make informed decisions, thus protecting not only the environment but also informed self-government.”).

l) 2.4.5 Drill Remaining Well

Page 2-59; Re-Drilling Wells

“[F]or the purpose of providing a worst-case analysis, the Applicant estimates that up to 30 re-drills could occur over the life of the Proposed Oil Project.”

The DEIR fails to meet the requirements of CEQA by failing to inform the public that if the Project is approved, it will be contingent on the fact that no more than 30 re-drillings will occur unless a process that allows for public participation is mandated. While the DEIR states that E&B does will not re-drill more than 30 times, the report fails to inform the public of what legal mechanism would keep E&B from changing their minds and changing the Project to allow for more than 30 re-drillings after receiving approval. Therefore, as it is currently written, the DEIR precludes the public’s ability to make an informed decision with regards to the use of extensive re-drillings in the future. To comply with CEQA, the City should revise the EIR to inform the

public that the Project will be approved under the condition that no more than 30 re-drillings will occur, and what process will apply in the event that E&B seeks to change the Project.

III. OIL SPILL RESPONSE AND OTHER EMERGENCY RESPONSE

a) Section 4.6, Fire Protection and Emergency Response

Page 17, Response Capabilities and Response Time

“However, equipment and training for a crude oil spill (for the pipeline route) and Hazmat response would be needed as a minimum. This would be a significant impact for Hazmat response.”

Page 18, Response Capabilities and Response Time

“(FP-1d) The Applicant shall develop emergency response plans addressing the facility's fire-fighting capabilities pursuant to the most recent NFPA requirements, Los Angeles County Fire Code, LACFD, California Code of Regulation, and API requirements, in coordination with and to the satisfaction of the LACFD and the City of Hermosa Beach Fire Department. These plans shall include, but not be limited to, fire monitor placement, water capabilities, fire detection capabilities, fire foam requirements, facility condition relating to fire-fighting ease and prevention, and measures to reduce impacts to sensitive resources. The plan should also address coordination with local emergency responders and area schools and daycare facilities.”

An emergency response plan for oil spill that reaches beach and ocean habitats is needed in addition to the land-based emergency response plan that is the focus of this EIR.

Regarding Hermosa Beach Fire and emergency response personnel, training and equipment for beach containment and cleanup is needed in addition to response operations occurring on land. Ocean spill containment and cleanup will likely be contracted through an Oil Spill Response Organization (OSRO).

Because, as discussed throughout the DEIR, the proposed Project is a facility that could impact marine water of the state, it is a “marine facility” under Section 8670.3(j)(1) of the Government Code. As such the Project is required to prepare an emergency response plan for marine spills pursuant to Section 8670.29 of the Government Code. An oil spill contingency plan would need to be approved by California Department of Fish and Wildlife Office of Spill Prevention and Response (OSPR). Please see Cal. Gov. Code Section 8670.29:

8670.29. (a) In accordance with the rules, regulations, and policies established by the administrator pursuant to Section 8670.28, an owner or operator of a marine facility, small marine fueling facility, or mobile transfer unit, prior to operating in the marine waters of the state or where an oil spill could impact marine waters; shall prepare and implement an oil spill contingency plan that has been submitted to, and approved by, the administrator pursuant to Section 8670.31. An oil spill contingency plan shall ensure the undertaking of prompt and adequate response and removal action in case of an oil spill, shall be consistent with the California oil spill contingency plan, and shall not conflict with the National Oil and Hazardous Substances Pollution Contingency Plan (NCP).

In fact, the previous applicant for this project, Macpherson Oil, would have been required to prepare an oil spill contingency plan under an approved Coastal Development Permit by California Coastal Commission.

b) 4.8, Safety, Risk of Upset, and Hazards

Page 8, Failure Frequencies

“An examination of facilities regulated by the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEMRE) (formerly the Minerals Management Service [MMS]) in the Gulf of Mexico over the past 10 years shows that equipment failure rates actually decrease even as the average equipment age increases.”

As of 2011, the BOEMRE is no longer in existence. The previous functions of BOEMRE and MMS are now divided between Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM). Please see <http://www.boemre.gov/>.

c) 4.8.1.5 Existing Site Spill Potential

Page 36, Existing Site Spill Potential

“A spill outside of the facility would drain into the storm drains. All storm drains in the area eventually flow to the ocean. Figure 4.8-3 shows a map of the storm drain systems in the area.”

The DEIR gives the distance that spills must travel from the City Maintenance Yard to reach the ocean, but it does not give the distance that spills must travel from the proposed drilling site to the ocean. This is inconsistent and if the information were given, it would be much clearer and more informative for Hermosa Beach residents.

d) 4.8.3, Significance Criteria

Page 54, Regulatory Oversight Responsibilities, Table 4.8-9

The Oversight Area “Cleanup of spills” fails to list the appropriate agencies if the spill reaches the ocean. In this case the Federal Coast Guard and State Department of Fish and Wildlife Office of Spill Prevention and Response (OSPR), are the agencies with Regulatory Oversight Responsibilities.

e) 4.8.4.2 CUP Requirements

Page 57, bullet point 19

“An emergency response plan, including a blowout prevention and control plan, shall be prepared for review and approval by the Division of Oil and Gas and the Hermosa Beach Fire Department.”

Because a spill could reach the ocean through a diversity of causes, the applicant should be required to prepare an emergency response plan for the marine environment. This requires OSPR approval, and contracting an Oil Spill Response Organization, amongst other marine plan requirements.⁴

⁴ In addition, please use a numbered list format, rather than bullet points for the CUP requirements and other similar lists. It is much easier to review and refer to during written and verbal comments, and discussion amongst Hermosa Beach residents.

f) 4.8.4.8, Proposed Project Impacts

Page 77, Near Schools

“However, the crude oil pipeline, due to the heavy nature of the crude oil, is not anticipated to produce significant public risk.”

This statement is factually incorrect and in direct contradiction to other areas of the EIR, where the air and water quality impacts are described. It is a significant public risk, especially to school children, who are more sensitive to the effects of oil-based air and water pollution, significantly impacting their growth and development. This statement is dangerously misleading to Hermosa Beach residents, who may be directly and significantly impacted by a spill of heavy crude oil.

g) 4.8.4.8, Proposed Project Impacts

Page 78, Hazardous Materials

“As discussed above, the drilling activities could produce offsite risks if they encounter pressurized areas of the reservoirs. Although it is not known at this time what areas, or if any areas, of the drilling will encounter pressure that could produce a blowout, historical data from drilling in Redondo Beach indicates that there is the potential for some of the wells to produce pressure and the potential for a blowout.”

This impact is listed as significant and unavoidable. Given the impacts to the urban area and environment, the EIR should require that a study be performed regarding this and the possible locations of higher probability blowout. The executive summary appropriately states this risk, but adds that *“impacts when drilling is not occurring would be less than significant with mitigation.”* Also the Executive Summary and DEIR state that *“wells would be pressurized for a short period after drilling.”* Due to the apparent lack of geological knowledge regarding areas of pressure in the Torrance Oil Field combined with historical data from drilling in Redondo Beach showing the potential for blowout, is it not logical to assume that the risk of spills when not drilling is still significant and unavoidable due to the combination of the environmental setting and pressurization of the wells?

The DEIR is inconsistent as on page 78 then agrees with the logic that risks are significant even when not drilling. *“The Applicant has proposed three features to reduce these risks, including the use of offshore-equivalent-style blow out preventer (BOP), venting to flare and non-cascading shutdown systems. However, blowout scenarios can still occur due to the potential for a pressurized reservoir and the potential for BOP failures, and these are difficult to mitigate and would be significant.”* Because of this, the impacts to Safety and Risk of Upset during operations (not just drilling) must be changed to significant and unavoidable.

h) 4.8.4.8, Proposed Project Impacts

Page 81, Spill Risks of the Proposed Oil Project Site and Pipelines

“A crude oil spill from the tanks or equipment at the Project Site would require a subsequent failure of the bermed area or drainage system at the facility in order to impact the environment. The facility is proposed to be designed so that all spills would be captured by berms and the

facility drain system and directed into the crude oil/water processing system for disposal down the injection wells or recovered into the crude processing stream. This system could fail with a catastrophic scenario, such as a major earthquake causing failure of the retaining walls.”

A major earthquake could disrupt this system, causing a massive oil spill that will need a marine emergency response plan. It appears that an earthquake scenario is within the limits of a ‘reasonable worst case’ impact according to a 1998 California Coastal Commission staff report on the previous drilling application in Hermosa Beach by Macpherson Oil.⁵

(1998 CCC report, p.57) “The potential risk of a well casing and hydrogen treatment system failure due to an earthquake is underscored by a report submitted by Macpherson, entitled “Geologic Hazards Investigation,” prepared by Ryland Associates, Inc., dated June 10, 1994. The report states that the site of the proposed project is subject to the effects of major regional earthquakes on the Newport–Inglewood, Palos Verdes, San Andreas, Whittier, Norwalk, and various other regional faults. The report states that the site is dominated by its proximity to the Palos Verdes; and Newport–Inglewood Faults and that these fault systems are assigned maximum earthquakes of magnitude 7 and 7.5, respectively. The Ryland report also states that the San Andreas Fault generated one of the largest earthquakes in California history in 1857 with a magnitude in excess of 8, and concludes that a recurrence of this event is quite possible or probable during the lifetime of the project. Based on dating studies, such earthquakes occur every 130 years, on the average.”

One hundred and fifty seven years have passed since the 1857 earthquake. It is reasonable to assume that this worst case scenario may become a reality in the lifetime of this proposed oil project, and it should not be treated as an unlikely scenario in the DEIR.

Page 81, Spill Risks of the Proposed Oil Project Site and Pipelines

“A blowout during drilling at the facility, if the wells are pressurized, could send crude oil up into the air, which could cause impacts outside of the site as well as spill crude oil into the site area. The volumes of crude oil spilled offsite would most likely be a few barrels as most crude oil would affect onsite areas.”

It appears unlikely that a pressurized well, capable of producing up to 8,000 bbls per day would only spill “a few barrels” from a catastrophic blowout, especially in the event of a disaster, such as a large earthquake. It is likely that oil and/or produced water would continue to flow, impacting the immediate site, and flowing downhill a given distance, depending on spill volume, impacting the public, immediate environment, and possibly the ocean (if large enough volume is spilled).

i) 4.8.4.8, Proposed Project Impacts

Page 81, Spill Risks of the Proposed Oil Project Site and Pipelines

“Another potential spill scenario would be a subsurface release from the borehole. Incidents of this type have been recorded in the offshore environment, as indicated in Table 4.8-11, with 7% of offshore “loss of well control” incidents involving release from nearby the platform from subsurface. All but one of these incidents occurred during drilling and all of them involved releases coming to the surface within a few hundred feet from the drilling location. Once the wellbore has entered an area that is beneath the seafloor (see Figure 2.8), the wellbore would be more than 1,500-2,000 feet beneath the seafloor. A release from the wellbore to the ocean would

⁵ Available at: <http://www.coastal.ca.gov/pdf/e9628.pdf> (accessed 4/11/14)

have to occur through fissures or other cracks in the geology of the area and would require substantial well pressures as well. Discussions with California State Land Commissions (CSLC 2014) indicate that this scenario would be a very low probability release.”

Although considered a low probability release by California State Lands Commission, it is possible that oil could leak through the seafloor into the ocean. This is another reason to require a comprehensive marine spill response plan.

j) 4.8.4.8, Proposed Project Impacts

Page 83, Spill Risks of the Proposed Oil Project Site and Pipelines

“Table 4.8-14 shows the potential spill volumes at different locations along the pipeline. The Herondo Street and Valley Drive location would be the worst case spill volume along the pipeline for spills closer to the ocean. A crude oil rupture at the intersection of Herondo Street and Valley Drive could enter storm drains that flow about 1500 feet to an ocean outfall on the beach (see Figure 4.8-2 and 4.8-3).”

The Worst Case Discharge from a pipeline at Herondo St. and Valley Dr. is calculated at 4,826 gallons (Table 4.8-14, p.83). The DEIR does concede that *“This assumes that everything operates correctly and that operators respond accordingly (4.8-82).”* The design capacity of the pipeline is 8,000 barrels per day (336,000 gallons per day). Therefore it is reasonable to assume that a Worst Case Discharge from a pipeline is a significantly larger volume than 4,826 gallons that is given in the DEIR.

k) 4.8.4.8, Proposed Project Impacts

Page 83, Spill Risks of the Proposed Oil Project Site and Pipelines

“Since crude oil would be temporarily transported by truck during Phase 2, crude oil could spill if an accident, such as a rollover, caused a rupture of the truck tank. A spill of crude oil would produce environmental impacts if the spill drained into culverts or drainage areas that lead to creeks, the ocean or other sensitive areas (see Sections 4.3, Biological Resources, and 4.9, Hydrology and Water Resources). Truck spill volumes would be limited to about 6,700 gallons, which would be the capacity of a crude oil truck. If an accident were to occur with a resulting spill along Valley Drive or along Herondo Street, and the spill were to enter into the storm drain system, the crude oil could reach the ocean.”

The DEIR states that trucks carrying oil from the site could also spill oil that reaches the ocean. This is another reason to require a marine spill response plan.

l) 4.8.4.8, Proposed Project Impacts

Page 84, Spill Risks of the Proposed Oil Project Site and Pipelines

“A spill near Herondo Street and Valley Drive, whether from a truck or the pipeline, would most likely be directed into the storm drain system. The storm drain system, from that point, drains about 1,500 feet through storm drain piping into an ocean discharge (See Figure 4.8-4). This particular discharge is a long cement “tunnel” that, during rains, allows storm water to drain under the beach into the surf without disturbing too much of the beach sand area (the discharge

is located about 150 feet from the surf line, depending on tide). During dry periods, sand builds up around the mouth of the discharge making a sort of containment area that might trap a crude oil spill depending on the amount of sand build-up and the standing water inside the discharge tunnel. However, during rains, crude oil would readily flow with the rain water through the storm drains, through the discharge "tunnel" to the ocean."

Assuming that the sand berm might "trap a crude oil spill" is an understatement that should be deleted from the DEIR. It is a misleading statement that only refers to a small subset of spills, large enough to reach the ocean yet small enough to be trapped by the sand berm. In the event of a large spill, oil will very likely reach the ocean from this drilling project despite the sand berm at the mouth of the storm drain. Rain will only facilitate a smaller spill in reaching the surf zone, thereby making this circumstance of trapping a crude oil spill even less likely.

V. WATER RESOURCES

A proposed project should pursue water conservation to minimize individual and cumulatively considerable significant effects on the environment. Pub. Resources Code, § 21061, 21068, 21083, 21060.5. Similarly, the California Coastal Act (CCA) requires that projects pursue water conservation. Pub. Resources Code § 30231. Moreover, "to ensure that all reasonable alternatives . . . are thoroughly assessed . . . , [an] EIR must contain facts and analysis, not just the agency's bare conclusions" relating to significant effects on the environment. *Al Larson Boat Shop, Inc. v. Bd. of Harbor Commissioners*, 22 Cal. Rptr. 2d 618, 623 (Cal. App. 2d Dist. 1993). Finally, an agency must not approve a project where feasible alternatives or mitigation measures exists. Pub. Resources Code § 21002.

The DEIR fails to comply with CEQA and properly inform decision-makers and the public about the Project's potential to use large volume of water down-well and onsite during a time of statewide officially declared drought.

a) 4.14.4.3 Impacts

Page 14, Water Demand, IMPACT WR.4

"[I]t is unlikely that a supplemental water source would be required for replacement water to prevent regional ground subsidence from occurring in the vicinity of the Proposed Project."

The DEIR fails to meet the requirements of CEQA by omitting facts and analysis relating to the Project's potential to use a significant volume water down-well in light of Southern California's water scarcity problem. The DEIR states that 8,000 barrels of oil will be extracted each day, but nowhere does the DEIR state that the oil's displaced volume might need to be replaced with supplemental water to prevent subsidence—the amount of oil displaced would be 2.9 million gallons per year or nine acre feet per year. Instead of notifying the public of this possibility, the DEIR vaguely states that the use of water to replace oil is unlikely. Moreover, the DEIR only mentions that water would be used down-well to prevent subsidence but fails to mention water could also be used to pressure in the oil producing zones to improve well production.

Given Southern California's current drought conditions and persistent water scarcity problems, the possibility that this Project could use 2.9 gallons of down-well water per year

should be considered a cumulatively considerable effect on the environment along with other projects that will consume large volumes of water. Pub. Resources Code §§ 21061, 21068, 21083, 21060.5, 30231. Moreover, if additional water might be used to pressurize wells, then this fact should be added to the DEIR. Because the DEIR fails to inform decision makers and the public about a significant effect on the environment, the EIR should be revised to include facts and analysis that will allow for an accurate assess the Project's effects on the environment, the need for mitigation efforts, and desirability of project alternatives. Pub. Resources Code §§ 21061; 14 CCR § 15151.

b) 4.14.4.2 Proposed Project Design Features

Page 7, Sanitary Wastewater

“In the event that Phase 3 is completed, the same sewer lateral would be used by a 650 square foot office building and associated restrooms to be constructed onsite, for 181 personnel for an estimated 14 month period. These restrooms would continue to be used during Phase 4, for 86 personnel over a 30 to 35 year period.”

The DEIR fails to comply with CEQA and CCA by not including an analysis of alternative design measures that might reduce water consumption for office use, landscaping, and other activities. While the DEIR provides a description of the expected water use, there is no analysis of alternatives to reduce water consumption onsite. The implementation of water conserving technology or practices would create significant reductions in the Project's water consumption over the project's 30 to 35 year expected life. Water conservation efforts at the Project taken together with other projects in the area, could avoid cumulatively considerable effects on the environment by helping alleviate Southern California's water scarcity problem. Therefore, the DEIR is not in compliance with CEQA or CCA because it does not consider water conserving alternatives.

V. CUMULATIVE IMPACTS

To evaluate a proposed project's "significant effect on the environment" the EIR must analyze all cumulatively considerable effects, including effects from past projects. Pub. Resources Code § 21083. Where an agency finds that past projects may have a significant effect on the environment, they must include this finding in the EIR. *Id.*

a) 2.3, Historical and Current Operations

Page 6, Historical and Current Operations

“In 1930, an oil well (Stinnett Oil Well No. 1[, API 03716902]) was drilled in the western portion of the Project Site. The oil well was abandoned in 2005, consistent with the then-current standards of the DOGGR.”

The DEIR fails to meet the requirements of CEQA by not analyzing the cumulative impact of past oil drilling projects in the area. In close proximity to the Project are seven abandoned oil

wells.⁶ Because the Project will utilize horizontal drilling, it is possible that abandoned wells within reach of horizontal drilling from the project could act as pathways for vertical migration. Moreover, because some wells are almost a century old, they are more likely to be in a state of decay from seismic activity or other causes. By not analyzing these abandoned wells in the DEIR, the City has overlooked a possible significant effect, vertical migration alongside abandoned oil wells.

By not making a finding that these past projects represent either a significant or insignificant effect on the environment, the City has not carried out its statutory duty under CEQA. Pub. Resources Code § 21083; 14 CCR § 15128. Moreover, the City has failed to accurately inform decision makers and the public of a significant effect on the environment. Further, by not providing an analysis of past project impacts, decision makers and the public cannot accurately assess the need for mitigation efforts or project alternatives. Therefore, if the EIR is not revised to include an analysis of the possible significant effects on the environment that might occur as a consequence of past projects in the area, a court will likely find there has been an abuse of discretion by the City because information related to significant environmental impacts were not communicated to decision makers and the public. *See Conservation League v. Castaic Lake*, 103 Cal. Rptr. 3d 152-53.

In conclusion, given the DEIR shortcomings and failures to consider and analyze all available relevant information regarding the Project's foreseeable significant environmental impacts, we urge the City to revise the DEIR in order to address all the comments outlined above. Please contact Brian Meux at bmeux@lawaterkeeper.org and Tatiana Gaur at tgaur@lawaterkeeper.org or via telephone at 310-394-6162 if you have questions or would like to discuss this letter.

Sincerely,



Brian Meux
Marine Program Manager
Los Angeles Waterkeeper



Tatiana Gaur
Senior Attorney
Los Angeles Waterkeeper

⁶ The APIs of the wells in close proximity to the proposed project are: 03716902, 03718525, 03717352, 03717000, 03716878, 03717803, and 03700347