

Freeport McMoran Oil & Gas (formerly PXP) - Phase V Conditional Use Permit (DRC2012-00035)

Ongoing Status Report

Project: Request by Freeport McMoran Oil & Gas, formerly Plains Exploration & Production Company, for a Conditional Use Permit to allow for Phase V development, which would be to expand production of an existing oil field and include the following elements: addition of 8 new well pads, modification of 33 existing pads and the use of other existing pads to provide for up to 450 new wells (oil, steam injection, re-injection, replacement); 100 of these new wells would be ‘replacement’ wells; installation of additional production and steam lines to the new wells; expansion of existing electrical power system; and replacement of one existing pipe bridge over Pismo Creek. This expansion is expected to increase daily oil production from the currently approved 5,000 barrels to 10,000 barrels. No hydraulic fracturing is proposed. Completion of previously approved Phase IV development is ongoing. 15 new employees is expected with the expansion.

Status: County preparing Draft Environmental Impact Report. Applicant has requested hold on completion of DEIR until State’s Aquifer Exemption (AE) process completed

Next Step(s): Once AE process completed publish Draft EIR, and set up Public Information Workshop on DEIR

Background: The previously approved four phases have established the existing oil field in Price Canyon. The current operation includes about 165 active producing wells and up to 40 active injector wells on 50 existing pads, generating about 1,000 barrels of oil a day. A water treatment (Reverse Osmosis) is just coming online to treat a portion of the ‘produced’ water that meets RWQCB standards and then released into Pismo Creek. Approx. 64 of the 95 approved Phase IV oil wells have been installed. The remaining 31 wells have been authorized by County to install.

Interested Party List: Email John McKenzie (jdmckenzie@co.slo.ca.us) to be added to a notification list of future county-sanctioned public meetings or hearings. Please include your name and address.

Last updated: 4/1/16

Date	Milestone	Comments
10/30/12	DRC2012-00035 application submitted to County	John McKenzie is County project manager (805-781-5452, jdmckenzie@co.slo.ca.us); County has 30 days to review application for completeness
November 2012	EIR required	County prepares following documents relating to EIR: Initial Study , Notice of EIR Preparation (NOP), Request for Proposal (RFP) to prepare EIR
11/27/12	Project review/ completeness letter sent to applicant	Additional information requested from applicant and determined needed before project can be deemed complete.
11/28/12	Request for EIR Proposals (RFP) sent out	Consultant Response due date: 1/3/13 ; extended to 1/10/13
11/28/12	Notice of EIR Preparation (NOP) sent out	Agency Response due date: 12/28/2012
12/11/12	RFP Due Date extended	Due to the holidays, the RFP due date has been extended to 1/10/13
12/28/12	NOP Responses due	As submitted, responses being posted to the web page
1/10/13	RFP Responses due	Extended from 1/3/13
5/14/13	EIR consultant	Board approves contract for MRS to prepare EIR

Date	Milestone	Comments
	selected	
		Project Owner merges with ‘Freeport McMoran Oil & Gas’ and project’s name changed to reflect this merger.
12/13/13	Applicant’s Initial Response provided to County’s completeness letter (11/27/12)	Staff will begin to review submittal for application completeness; technical reports to be submitted to EIR consultant for peer review on adequacy; additional technical reports expected; revised project description provided (see initial paragraph)
2/19/14	EIR Scoping Meeting	Location: South County Regional Center 800 W. Branch St Arroyo Grande COMMENTS DUE: 3/19/14
3/19/14	Scoping Meeting comments	Comments due 3/19/14; comments received and forwarded to EIR consultant for consideration
8/11/14	Applicant submittals	Numerous submittals by the Applicant over the last several months in response to County requests; the application is now complete and accepted for processing; EIR preparation now underway
	Draft EIR	Under preparation
8/12/15	Applicant Submittal	Request by applicant to postpone completion of the DEIR until completion of the State Aquifer Exemption process

Other pertinent activities

Phase IV activity: (DRC2015-00002) 6/13/15 - request by applicant to amend one condition to extend time for approved oil wells not yet installed; Planning Commission Hearing held on 9/10/15; continued to 10/22/15; project appealed by Center for Biological Diversity on 11/24/15; appeal hearing not yet scheduled before the Board of Supervisors.

Phillips 66 connecting pipeline (DRC2012-00101) was approved 11/7/14; pipeline (about 7.3 miles in overall length – 5.6 miles within the unincorporated area) construction has been occurring over the last 6 months and is wrapping up; Applicant expects pressure testing on pipe/installation integrity to be conducted during mid-April with the possibility of crude oil delivery in late April, 2016. Completion of this pipeline will allow delivery of crude oil from the Arroyo Grande oil field (Price Canyon) to the Phillips processing facility on the Nipomo Mesa.

Aquifer Exemption Process – The U.S. Environmental Protection Agency is currently reviewing a request to change the existing aquifer exemption boundaries of the Arroyo Grande oil field (Price Canyon). The request was made by the State Division of Oil, Gas and Geothermal Resources (DOGGR) with review and concurrence from the State Water Resources Control Board. The eventual decision by the EPA will determine where future injection wells can be placed within this oil field.