



AIR POLLUTION
CONTROL DISTRICT
COUNTY OF SAN LUIS OBISPO



January 5, 2009

John McKenzie
County Planning & Building Dept
County Government Center, Room 310
San Luis Obispo CA 93401

SUBJECT: APCD Comments Regarding the DRC2006-00222/Mankins Oil Well Pre-Application Meeting/Referral/Notice. (DRC2006-00222)

Dear Mr. McKenzie,

In the past 6 months, the Air Pollution Control District has reviewed air quality calculations for this project 5 times. To say the least, this has been a very inefficient utilization of resources by all parties. In the absence of a full Environmental Impact Report which the Air Pollution Control District has suggested on several occasions, the APCD requested the project proponent provide calculations for the worst case scenario for operations at the proposed oil field. Prior calculations submitted on July 7th, and July 22nd of 2008, did not adequately address all potential pollutant sources. Based upon comments expressed during public outreach meetings, the project proponent changed the final destination for the produced oil from a local refinery to refinery in Oxnard. This resulted in more than a 10 fold increase in the vehicle emissions associated with hauling the produced product to the final market (9.68 lb/day of NOX to 108 lbs/day). The following comments are provided based on the most recent applicant derived calculations that are dated December 8th, 2008.

On page 1 of the revised report, the project proponent states "While the basic proposed project has been defined a refinement of the preliminary design for the production/operation stage will be determined based upon the results of the exploration phase." Again, it is important to note that the CEQA process should evaluate reasonably foreseeable air quality impacts that may be caused by this project. If the project proponent makes additional changes to the project including, but not limited to, the number of wells, steam injection vs. hot water, oil production, product delivery location, type of equipment, size of equipment or throughput then the calculations presented in the December 8, 2008 report the will no longer be valid and additional evaluation will be necessary.

GENERAL COMMENTS

As a commenting agency in the California Environmental Quality Act (CEQA) review process for a project, the APCD assesses air pollution impacts from both the construction and operational phases of a project, with separate significant thresholds for each. **Please address the action items contained in this letter that are highlighted by bold and underlined text.**

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CONSTRUCTION PHASE MITIGATION

District staff agrees that based on the data presented in the December 8th, 2008 report, the APCD CEQA threshold will not be exceeded for construction phase activities. These calculations are based on a maximum of 19 days of drilling and 12 hours of drilling per day (page 5 and 6). If drilling operation exceeds either of these parameters then the CEQA threshold could be exceeded and additional mitigation would be required. For example, if the drilling operations were to continue 24 hours per day, which is not uncommon for drilling projects, then the threshold would be exceeded. Since the drilling activities would already be under way at that time, the APCD recommends either the use of off-site mitigation to offset additional drilling impacts or the drilling operation would need to be shut down and ARB Construction Best Available Control Technology implemented (verified filter installed on the drilling rig). **The project proponent should track drilling operations and notify the APCD should the number of days or hours per day differ from what was presented in this report.**

The following mitigation measures will apply to this project.

Hydrocarbon Contaminated Soil

Should hydrocarbon contaminated soil be encountered during construction activities, the APCD must be notified as soon as possible and no later than 48 hours after affected material is discovered to determine if an APCD Permit will be required. In addition, the following measures shall be implemented immediately after contaminated soil is discovered:

- Covers on storage piles shall be maintained in place at all times in areas not actively involved in soil addition or removal;
- Contaminated soil shall be covered with at least six inches of packed uncontaminated soil or other TPH –non-permeable barrier such as plastic tarp. No headspace shall be allowed where vapors could accumulate;
- Covered piles shall be designed in such a way to eliminate erosion due to wind or water. No openings in the covers are permitted;
- During soil excavation, odors shall not be evident to such a degree as to cause a public nuisance; and,
- Clean soil must be segregated from contaminated soil.

The notification and permitting determination requirements shall be directed to the APCD Enforcement Division at 781-5912.

Naturally Occurring Asbestos

The project site is located in a candidate area for Naturally Occurring Asbestos (NOA), which has been identified as a toxic air contaminant by the California Air Resources Board (ARB). Under the ARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations, **prior to any grading activities at the site, the project proponent shall ensure that a geologic evaluation is conducted to determine if NOA is present within the area that will be disturbed. If NOA is not present, an exemption request must be filed with the District (see Attachment 1). If NOA is found at the site the applicant must comply with all requirements outlined in the Asbestos ATCM.** This may include development of an Asbestos Dust Mitigation

Plan and an Asbestos Health and Safety Program for approval by the APCD. Please refer to the APCD web page at <http://www.slocleanair.org/business/asbestos.asp> for more information or contact Tim Fuhs of our Enforcement Division at 781-5912.

Developmental Burning

Effective February 25, 2000, **the APCD prohibited developmental burning of vegetative material within San Luis Obispo County.** Under certain circumstances where no technically feasible alternatives are available, limited developmental burning under restrictions may be allowed. This requires prior application, payment of fee based on the size of the project, APCD approval, and issuance of a burn permit by the APCD and the local fire department authority. The applicant is required to furnish the APCD with the study of technical feasibility (which includes costs and other constraints) at the time of application. If you have any questions regarding these requirements, contact the APCD Enforcement Division at 781-5912.

Dust Control Measures

The project as described in the referral will not likely exceed the APCD's CEQA significance threshold for construction phase emissions. However, construction activities can generate fugitive dust, which could be a nuisance to local residents and businesses in close proximity to the proposed construction site. Dust complaints could result in a violation of the District's 402 "Nuisance" Rule. **APCD staff recommend the following measures be incorporated into the project to control dust:**

- a. Reduce the amount of the disturbed area where possible,
- b. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible,
- c. All dirt stock pile areas should be sprayed daily as needed,
- d. Permanent dust control measures identified in the approved project revegetation and landscape plans should be implemented as soon as possible following completion of any soil disturbing activities,
- e. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating native grass seed and watered until vegetation is established,
- f. All disturbed soil areas not subject to revegetation should be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD,
- g. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used,
- h. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site,
- i. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114,
- j. Install wheel washers where vehicles enter and exit unpaved roads onto streets, or

- wash off trucks and equipment leaving the site, and
- k. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with reclaimed water should be used where feasible.

All PM10 mitigation measures required should be shown on grading and building plans. In addition, the contractor or builder should designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress. **The name and telephone number of such persons shall be provided to the APCD prior to land use clearance for map recordation and finished grading of the area.**

Construction Permit Requirements

In addition to the drilling rig any portable equipment, 50 horsepower (hp) or greater, used during construction activities will require California statewide portable equipment registration (issued by the California Air Resources Board) or an APCD permit. The following list is provided as a guide to equipment and operations that may have permitting requirements, but should not be viewed as exclusive. For a more detailed listing, refer to page A-5 in the District's CEQA Handbook.

- Drilling Rig
- Power screens, conveyors, diesel engines, and/or crushers;
- Portable generators and equipment with engines that are 50 hp or greater;
- IC engines;
- Concrete batch plants;
- Rock and pavement crushing;
- Tub grinders; and
- Trommel screens.

To minimize potential delays, prior to the start of the project, please contact Gary Willey of the District's Engineering Division at (805) 781-5912 for specific information regarding permitting requirements.

OPERATIONAL PHASE MITIGATION

As indicated in the report and summarized in Table 1 below, the total NOx emissions will exceed the APCD's Tier II CEQA threshold of 25 lbs/day (includes Santa Barbara and Ventura Counties). Should the operating parameter vary from what is presented in the report – (i.e. onsite energy use increase, more propane consumed than estimated, more truck trips than estimated) – the emissions will need to be re-calculated and further mitigated. To mitigate the operational impacts below the 25 lbs/day threshold, the applicant could modify the fleet (ie. only use 2007 or newer trucks, use 2007 or newer double haul trucks) or select a closer end destination for the product. The project proponent will need to illustrate that these measures will reduce the project to a level of insignificance. If these fleet mitigations are not implemented, off-site mitigation funds will be necessary and distributed among impacted air districts.

Table 1
Operational Phase Emissions

Pollutant	ROG	NOX	CO	SO2	PM10	ROAD PM	CO2e
	lb/day	lb/day	lb/day	lb/day	lb/day	lb/day	lb/day
Stationary	3.59	6.10	6.39	0.88	0.60	N/A	10650
Mobile - SLO	2.16	17.32	10.87	0.02	0.94	29.40	2139
Mobile - SB	4.00	70.90	26.80	0.10	2.80	11.00	7739
Mobile - Ventura	1.10	20.20	7.60	0.00	0.80	3.10	2208
Total lbs/day	10.80	114.50	51.66	1	5.14	43.50	22736
Total ton/yr		20.89	9.40	0.18	0.94	7.9	3,772 *

*metric tons

The following mitigation measures should be implemented.

Permitting

Prior to the start of any drilling activities, the applicant will need to obtain a permit to from the APCD. To minimize potential delays prior to the start of the project, please contact the APCD Engineering Division at (805) 781-5912 for specific information regarding permitting requirements.

In addition, **any portable equipment, 50 horsepower (hp) or greater, used during construction or operation of the facility will require California statewide portable equipment registration (issued by the California Air Resources Board) or an APCD permit.** The following list is provided as a guide to equipment and operations that may have permitting requirements, but should not be viewed as exclusive. For a more detailed listing, refer to page A-5 in the District's CEQA Handbook.

- Drilling Rig
- Power screens, conveyors, diesel engines, and/or crushers;
- Portable generators and equipment with engines that are 50 hp or greater;
- IC engines;
- Concrete batch plants;
- Rock and pavement crushing;
- Tub grinders; and
- Trommel screens.

To minimize potential delays, prior to the start of the project, please contact the APCD Engineering Division at (805) 781-5912 for specific information regarding permitting requirements.

District Rules

The project must comply with all applicable District Rules relevant to this project.

Nuisance

Nuisance Rule District's 402 will apply to both the operational and construction phase of this project. A person shall not discharge from any source whatsoever such

quantities of air contaminants or other material which cause injury, detriment, nuisance or annoyance to any considerable number of person tor to the public or which endanger the comfort repose, health or safety of any such person or the public, or which cause, or have a natural tendency to cause, injury or damage to business or property.

Odor/Complaints

The project proponent should develop an Odor Monitoring and Complaint Response Plan. This plan will need to be approved by the APCD and fully implemented prior to the start of construction.

To mitigate greenhouse gas emissions and criteria pollutants from this project in addition to the items listed on Page 14, **the APCD recommends implementation of the following measures: all trucks hauling produced oil should be double haul trucks 2007 models or newer, the project proponent should make every attempt to find a final market destination closer to the oil field, install a pipeline for long term operations or other equivalent measures that will reduce emissions from hauling the product to the final market.**

The NOx emissions for the propane fuel usage are based on a 20 ppm low NOx burner. If these numbers are used for air quality impacts, then the project proponent will need to ensure that a 20 ppm low NOx burner is in fact used or the emissions will be under estimated. **This should be part of the final permit condition.**

Specific Comments

Page 9 – Any gas that is recovered would have to be included as part of the APCD permit before it could be used as a fuel source for the onsite equipment.

Page 11 – District staff does not agree with the comment made on page 11 that unless a project is massive it does not generate sufficient GHG emission to directly influence local, regional and global climate change. The author of the report then goes on to discuss cumulative effects of GHG. It should be noted that in light of AB 32 and the importance in reducing GHG statewide, a project such as the one proposed that depends on 24 one way haul trips, 137 miles each as part of the normal operations will definitely contribute to GHG and is an unsustainable model.

Page 14 – One of the offsite mitigations suggested the replacement of a school bus with a cleaner bus. However, the proposal is to replace the engine only, not the entire bus. While the practice of replacing just the engine has been done in the past, it results in a new engine in an old bus chassis with questionable integrity which often times does not meet current safety standards. Therefore, **the APCD recommends the money be made available to the school district to upgrade their equipment as they determine most appropriate.** Potential uses would be to purchase a new bus, provide matching funds toward the purchase of a new school bus, purchase particulate filters for existing buses or purchasing a particulate filter cleaner. The Air Pollution Control District currently has grant money available for upgrading agricultural pumps. While some funding has also been made available through the state for school buses, recently, due to the economic

crisis in California, the distribution of some funds has been suspended. The APCD, therefore, recommends the use of the offsite mitigation funds be used solely for the school district equipment upgrades.

Page 14 – Any dust suppressant used will need to be approved by the APCD prior to use. Any dust suppressant should also be evaluated by other resource agencies to ensure there is no impact to other resources (ie. water). Also on Page D-9 the calculations assume an 84% reduction of PM by use of a dust suppressant. **A product information sheet along with a Material Safety Data Sheet should be provided to the APCD for the product that is proposed for use.**

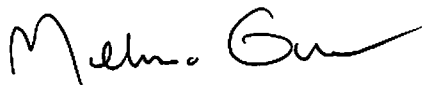
Page D-8 the hydrocarbon (HC) work and breathing loss from the Baker tank during construction appears low. In the last set of calculations that were presented for this project on November 5th, 2008, the HC was 35.11, it is now 0.82. **This discrepancy should be explained.**

Page 5 indicated there are 3 Perkins 1106D, 200 hp pumps. However, the calculations page D-8 (Table 3) appears to only show 2. One additional pump would add 16.43 lbs/day to the daily emissions. This would not be enough to cause an exceedance of the CEQA construction threshold, however, **for accuracy it should be included in the calculations or its omission should be explained.**

Page D-7 at our meeting on November 25th, 2008, we requested a copy of the referenced soil survey for the Santa Lucia Shaly Clay Loam. This document was not included in the December 8, 2008 report.

If you have any questions or comment regarding this project I can be reached at (805) 781-4667.

Sincerely,



Melissa Guise
Air Quality Specialist

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Attachments:

1. Naturally Occurring Asbestos – Construction & Grading Project Exemption Request Form, Construction & Grading Project Form

cc: Bobbie Bratz, Santa Barbara APCD
Carol Florence, Oasis



**AIR POLLUTION
CONTROL DISTRICT**
COUNTY OF SAN LUIS OBISPO

3433 Roberto Court, San Luis Obispo, CA 93401
805-781-5912 – FAX: 805-781-1002

**Naturally Occurring Asbestos
Construction and Grading Project Form**

Applicant Information/Property Owner		Project Name	
Address		Project Address and/or Assessors Parcel Number	
City, State, Zip		City, State, Zip	
Email		Email	
Phone Number	Date Submitted	Agent	Phone Number

Check Applicable	DESCRIPTION (attach applicable required information)	APCD REQUIREMENT 1	APCD REQUIREMENT 2
	Project is subject to NOA requirements but NOT disturbing NOA	Geological Evaluation	Exemption Request Form
	Project is subject to NOA requirements and project is disturbing NOA – more than one acre	Geological Evaluation	Dust Control Measure Plan
	Project is subject to NOA requirements and project is disturbing NOA – one acre or less	Geological Evaluation	Mini Dust Control Measure Plan

Please note that the applicant will be invoiced for any associated fees

REQUIRED APPLICANT SIGNATURE:

Legal Declaration/Authorized Signature

Date

APCD OFFICE USE ONLY				
Geological Evaluation	Exemption Request Form	Dust Control Measure Plan		Monitoring, Health and Safety Plan
Approved Yes <input type="checkbox"/> No <input type="checkbox"/>	Approved: Yes <input type="checkbox"/> No <input type="checkbox"/>	Approved: Yes <input type="checkbox"/> No <input type="checkbox"/>		Approved: Yes <input type="checkbox"/> No <input type="checkbox"/>
Comments:	Comments:	Comments:		
APCD Staff:	Intake Date:	Date Reviewed	OIS Site #	OIS Proj #
Invoice No.	Basic Fee	Additional Fees	Billable Hrs	Total Fees



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Construction & Grading Project Exemption Request Form**

Applicant Information/ Property Owner		Project Name	
Address		Project Address and /or Assessors Parcel Number	
City, State, Zip		City, State, Zip	
Email Address		Email Address	
Phone Number	Date Submitted	Agent	Phone Number

The District may provide an exemption from Section 93105 of the California Code of Regulations - Asbestos Airborne Toxic Control Measure For Construction, Grading, Quarrying, And Surface Mining Operations for any property that has any portion of the area to be disturbed located in a geographic ultramafic rock unit; if a registered geologist has conducted a geologic evaluation of the property and determined that no serpentine or ultramafic rock is likely to be found in the area to be disturbed. Before an exemption can be granted, the owner/operator must provide a copy of a report detailing the geologic evaluation to the District for consideration. The District will approve or deny the exemption within 90 days. An outline of the required geological evaluation is provided in the District handout "**ASBESTOS AIRBORNE TOXIC CONTROL MEASURES FOR CONSTRUCTION, GRADING, QUARRYING, AND SURFACE MINING OPERATIONS – Geological Evaluation Requirements.**"

NOTE: A basic exemption evaluation fee of \$150.00 will be charged.

APPLICANT MUST SIGN BELOW:

I request the San Luis Obispo County Air Pollution Control District grant this project exemption from the requirements of the ATCM based on the attached geological evaluation.

Legal Declaration/Authorized Signature

Date:

OFFICE USE ONLY - APCD Required Element - Geological Evaluation

Intake Date:	APCD Staff:	OIS Site #:	OIS Project #:
Date Reviewed:	APCD Staff:	Approved	Not Approved

Comments: