

AMENDED IN SENATE AUGUST 17, 1999

AMENDED IN ASSEMBLY APRIL 8, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1280

Introduced by Assembly Member Jackson
(Coauthor: Senator O'Connell)

February 26, 1999

An act to amend Section 30262 of, and to add Section 30262.5 to, the Public Resources Code, relating to oil and gas.

LEGISLATIVE COUNSEL'S DIGEST

AB 1280, as amended, Jackson. Oil and gas development: pipelines.

The existing California Coastal Act of 1976 permits oil and gas development, if specified conditions relating to safety and environmental mitigation are met.

This bill would include within those specified conditions that are required to be met where oil and gas development is permitted a condition requiring that all oil ~~extracted from a source located in whole, or in part, under the sea be transported to onshore facilities by pipeline, and once onshore, be transported to other facilities, including refining facilities, by pipeline~~ *produced offshore be transported to onshore processing facilities by pipeline only*, and that all pipelines used to transport this oil utilize the best available technology to ensure maximum protection of public health and safety and of the integrity and productivity of terrestrial

and marine ecosystems. *However, for new or expanded oil extraction operations where the crude oil is so highly viscous that pipelining is found to be an infeasible mode of transportation, or there is no feasible access to pipeline, the bill would permit shipment of crude oil over land by other modes of environmentally sound onshore transportation such as trains and trucks, excluding any waterborne mode of transport. This bill would further require that, in addition to all other measures that will maximize the protection of marine habitat and environmental quality, when an offshore well is abandoned or permanently shut down, the best available technology be used to seal and cap a well to prevent any further failure or leakage of oil from the well into the marine environment.*

The bill would also require the California Coastal Commission, in conjunction with the State Water Resources Control Board, the State Fire—~~Marshall~~ *Marshal*, the Division of Oil and Gas of the Department of Conservation, and the State Department of Health Services, to conduct a specified inventory and assessment of oil and gas pipelines, as provided, and, not later than June 1, 2000, to report its findings regarding that inventory and assessment to the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 30262 of the Public Resources
 2 Code is amended to read:
 3 30262. (a) Where oil and gas development is
 4 permitted the following conditions shall be met:
 5 (1) The development is performed safely and
 6 consistent with the geologic conditions of the well site.
 7 (2) New or expanded facilities related to that
 8 development are consolidated, to the maximum extent
 9 feasible and legally permissible, unless consolidation will
 10 have adverse environmental consequences and will not
 11 significantly reduce the number of producing wells,
 12 support facilities, or sites required to produce the



1 reservoir economically and with minimal environmental
2 impacts.

3 (3) Environmentally safe and feasible subsea
4 completions are used if drilling platforms or islands would
5 substantially degrade coastal visual qualities, unless use of
6 those structures will result in substantially less
7 environmental risks.

8 (4) Platforms or islands will not be sited where a
9 substantial hazard to vessel traffic might result from the
10 facility or related operations determined in consultation
11 with the United States Coast Guard and the Army Corps
12 of Engineers.

13 (5) The development will not cause or contribute to
14 subsidence hazards unless it is determined that adequate
15 measures will be undertaken to prevent damage from
16 such subsidence.

17 (6) With respect to new facilities, all oilfield brines are
18 reinjected into oil-producing zones, unless the Division of
19 Oil and Gas of the Department of Conservation
20 determines to do so would adversely affect production of
21 the reservoirs, and unless injection into other subsurface
22 zones will reduce environmental risks. Exceptions to
23 reinjections will be granted consistent with the Ocean
24 Waters Discharge Plan of the State Water Resources
25 Control Board and where adequate provision is made for
26 the elimination of petroleum odors and water quality
27 problems.

28 ~~(7) All oil that is extracted from a source located in~~
29 ~~whole, or in part, under the sea is transported to onshore~~
30 ~~facilities by pipeline, and once onshore, is transported to~~
31 ~~other facilities, including refining facilities, by pipeline.~~
32 ~~The pipelines used to transport this oil shall utilize the~~
33 ~~best available technology to ensure maximum protection~~
34 ~~of public health and safety and of the integrity and~~
35 ~~productivity of terrestrial and marine ecosystems.~~

36 *(7) All oil produced offshore shall be transported to*
37 *onshore processing facilities by pipeline only. The*
38 *pipelines used to transport this oil shall utilize the best*
39 *available technology to ensure maximum protection of*



1 *public health and safety and of the integrity and*
2 *productivity of terrestrial and marine ecosystems.*

3 (8) *Once it is onshore, all oil produced offshore shall be*
4 *transported to refining facilities by pipeline. The*
5 *pipelines used to transport this oil shall utilize the best*
6 *available technology to ensure maximum protection of*
7 *public health and safety and of the integrity and*
8 *productivity of terrestrial and marine ecosystems.*

9 (9) *The following guidelines shall be used when*
10 *applying paragraphs (7) and (8):*

11 (A) *Paragraphs (7) and (8) shall apply to new or*
12 *expanded oil extraction operations.*

13 (B) *The term “oil” shall refer to crude oil before it is*
14 *refined into final products such as gasoline, bunker fuel,*
15 *lubricants, and asphalt. Crude oil that is upgraded in*
16 *quality through residue reduction or other means shall be*
17 *transported as provided in paragraphs (7) and (8).*

18 (C) *For new or expanded oil extraction operations*
19 *where the crude oil is so highly viscous that pipelining is*
20 *found to be an infeasible mode of transportation, or there*
21 *is no feasible access to a pipeline, shipment of crude oil*
22 *over land may be permitted by other modes of*
23 *environmentally sound onshore transportation such as*
24 *trains and trucks, excluding any waterborne mode of*
25 *transport. Paragraph (7) shall not apply to existing*
26 *operations at Thums Island inside Long Beach Harbor.*

27 (10) *In addition to all other measures that will*
28 *maximize the protection of marine habitat and*
29 *environmental quality, when an offshore well is*
30 *abandoned or permanently shut down, the best available*
31 *technology shall be used to seal and cap a well to prevent*
32 *any further failure or leakage of oil from the well into the*
33 *marine environment.*

34 (b) *Where appropriate, monitoring programs to*
35 *record land surface and near-shore ocean floor*
36 *movements shall be initiated in locations of new*
37 *large-scale fluid extraction on land or near shore before*
38 *operations begin, and shall continue until surface*
39 *conditions have stabilized. Costs of monitoring and*



1 mitigation programs shall be borne by liquid and gas
2 extraction operators.

3 SEC. 2. Section 30262.5 is added to the Public
4 Resources Code, to read:

5 30262.5. (a) The commission shall, in conjunction
6 with the State Water Resources Control Board, the State
7 Fire ~~Marshal~~ *Marshal*, the Division of Oil and Gas of the
8 Department of Conservation, and the State Department
9 of Health Services, do both of the following:

10 (1) Inventory the existing sources, reliability, and
11 accessibility of Geographical Information System (GIS)
12 mapping of oil and gas pipelines in coastal areas, both
13 onshore and offshore.

14 (2) Gather and assess the sufficiency of available data
15 for determining the age, condition, and maintenance
16 record of those oil and gas pipelines in order to evaluate
17 their risk potential.

18 (b) Notwithstanding Section 7550.5 of the
19 Government Code, the commission shall, not later than
20 June 1, 2000, report its findings to the Legislature
21 regarding the inventory and assessment required
22 pursuant to subdivision (a).

23 *SEC. 3. The provisions of this section are severable. If*
24 *any provision of this section or its application is held*
25 *invalid, that invalidity shall not affect other provisions or*
26 *applications that can be given effect without the invalid*
27 *provision or application.*

