



United States Department of the Interior  
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT  
PACIFIC OCS REGION  
760 Paseo Camarillo, Suite 102  
Camarillo, CA 93010-6064

JAN 04 2018

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. J.E. Shellebarger  
Chevron U.S.A., Inc.  
President  
100 Northpark Boulevard  
Covington, LA 70433

Re: Decommissioning of Leases OCS-P 0205 and OCS-P 0217

Dear Mr. Shellebarger:

This letter is to notify Chevron U.S.A. Inc. (Chevron) that Venoco, LLC (Venoco) has defaulted on its obligation to decommission leases OCS-P 0205 (LA Block 4661) and OCS-P 0217 (LA Block 4862) (collectively "the leases"). As such, the Bureau of Safety and Environmental Enforcement (BSEE) now looks to you as a prior lessee of the leases to perform the decommissioning and required maintenance and monitoring of the facilities on the leases prior to decommissioning.

As a prior lessee of the leases, you are responsible for decommissioning all wells, pipelines, platforms, and other facilities for which you have accrued decommissioning obligations under 30 C.F.R. § 250.1702. You are hereby notified to completely decommission all such wells, pipelines, platforms, and other facilities per BSEE's regulations within one year of the date the leases were officially relinquished by Venoco. In this regard, Chevron may seek reasonable extensions of the one-year deadline as necessary and may use the existing pipelines on the leases, including any right-of-way pipelines, for the purpose of facilitating the decommissioning of the leases.

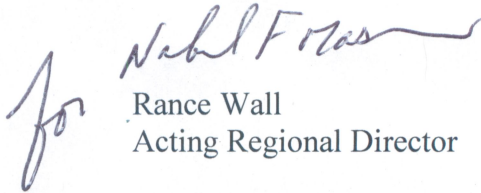
Chevron's decommissioning obligations include the safe and orderly pre-decommissioning functions associated with all facilities and infrastructure for which you are responsible and the required inspection, maintenance, and monitoring of these facilities from the date of this order (hereinafter "this order") until decommissioning is complete on the leases. Chevron, or its designated agent, will have the responsibility to comply with any applicable current or future regulatory requirements or obligations related to these facilities pending their ultimate decommissioning.

Accordingly, Chevron is hereby ordered to:

1. **Provide Written Acknowledgment of Receipt of Notification:** Within 15 days of receipt of this order, provide written acknowledgment of receipt of this notification to Mr. Nabil F. Masri, Regional Supervisor (RS), BSEE, Pacific OCS Region (POCSR), Office of Strategic Operations (OSO), at 760 Paseo Camarillo, Suite 102, Camarillo, CA 93010.
2. **Contact the Office of Field Operations (OFO):** Within 15 days of receipt of this order and prior to boarding Platforms Gail or Grace, contact Mr. Michael Mitchell, RS, BSEE, POCSR, OFO, at (805) 384-6355, to discuss the following:
  - Confirmation that you will immediately undertake monitoring, inspection, and maintenance of the facilities and wells on the leases pending completion of decommissioning;
  - A plan to correct all outstanding Incidents of Noncompliance identified by the OFO.
3. **Coordinate with following departments:**
  - OFO, Compliance Section: Contact Ms. Theresa Bell, Chief, at (805) 384-6327, to discuss Safety and Environmental Management Systems (SEMS) coverage for the facilities, to identify the SEMS plan that will cover the facilities, and to discuss BSEE access to the facilities to conduct safety inspections;
  - Oil Spill Preparedness Division: Contact Mr. Jason Hagerty at (805) 384-6326, to discuss Oil Spill Response Plan (OSRP) coverage for the facilities and to identify the OSRP that will cover the facilities; and
  - OSO: Contact Mr. Nabil F. Masri, RS at (805) 384-6364, or at nabil.masri@bsee.gov, to discuss requirements for permitting the decommissioning of the facilities and the pipelines.
4. **Submit a Plan and Schedule to Decommission:** Submit your decommissioning plan and schedule to the RS, BSEE, POCSR, OSO, within 90 days of receipt of this order. Once BSEE accepts your decommissioning plan and schedule, Chevron must expeditiously submit the following:
  - Applications for Permit to Modify to permanently abandon all wells under 30 C.F.R. § 250.1712 to RS, BSEE, POCSR, OFO.
  - An application for approval to remove any platforms under 30 C.F.R. § 250.1727, and an application for approval to decommission any pipelines for which you are responsible, under 30 C.F.R. § 250.1751 or § 250.1752, to the RS, BSEE, POCSR, OSO.
  - An Oil Spill Plan that complies with the requirements of under 30 C.F.R. § 254.

This order may be appealed pursuant to 30 C.F.R. Part 290. If you elect to appeal, a Notice of Appeal must be filed with this office and served on the Associate Solicitor, Division of Mineral Resources, within 60 days of receipt of this letter (*see* NTL No. 2009-N12). If you have questions or concerns, you may contact Ms. Catherine Hoffman at [catherine.hoffman@bsee.gov](mailto:catherine.hoffman@bsee.gov), or by phone at (805) 384-6332.

Sincerely,

  
Rance Wall  
Acting Regional Director

cc: Mr. Chris Hoidal, Regional Director, Western Region  
U.S. Department of Transportation  
12300 West Dakota Avenue, Suite 110  
Lakewood, CO 80228

Ms. Joan Barminski, Regional Director  
Pacific OCS Region  
Bureau of Ocean Energy Management  
760 Paseo Camarillo, Suite 102  
Camarillo, CA 93010

Ms. Alison Dettmer, District Director  
California Coastal Commission  
45 Fremont Street #2000  
San Francisco, CA 94105

Ms. Marina Voskanian, P.E., Division Chief, Energy and Minerals Division  
California State Lands Commission  
200 Oceangate, 12th Floor  
Long Beach, CA 90802

Ms. Dianne Black, Assistant Director, Planning & Development  
County of Santa Barbara  
123 East Anapamu Street  
Santa Barbara, CA 93101

Mr. David Durflinger, City Manager  
City of Carpinteria  
5775 Carpinteria Avenue  
Carpinteria, CA 93013

Mr. J.E. Shellebarger

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Mr. Michael Villegas, Executive Officer  
Ventura County Air Pollution Control District  
669 County Square Drive  
Ventura, CA 93003