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March 5, 2018

## VIA ELECTRONIC AND HAND-DELIVERY

Office of Hearings and Appeals  
Interior Board of Land Appeals  
U.S. Department of the Interior  
801 N. Quincy Street, Suite 300  
Arlington, VA 22203

Re: Chevron U.S.A.  
Decommissioning of Leases OCS-P 0205 and OCS-P 0217

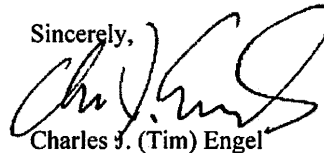
Dear Sir or Madam:

Please find enclosed a Consent Motion for Entry of Limited Stay of Order, Suspension of Proceedings and Required Report to the Board, which is being filed by Chevron U.S.A. Inc. A Notice of Limited Appeal related to this Consent Motion is included with this filing.

Because this is a Consent Motion, Chevron is not filing a memorandum of points and authorities. Chevron reserves its right to file such a memorandum should the Board require it.

If you have any questions concerning this submission, please contact the undersigned. Thank you for your assistance.

Sincerely,



Charles J. (Tim) Engel

CJE:lm  
Enclosure

cc: Via Electronic and Hand-Delivery:  
Eric Andreas  
Office of the Solicitor  
Division of Mineral Resources  
U.S. Department of the Interior  
1849 C Street, NW, Mail Stop 5358  
Washington, DC 20240

By Express Mail:

U.S. Department of the Interior  
Bureau of Safety and Environmental Enforcement  
Pacific OCS Region  
60 Paseo Camarillo, Suite 102  
Camarillo, CA 93010-6064  
Attn: Acting Regional Director Rance Wall and Ms. Catherine Hoffman

**UNITED STATES DEPARTMENT OF THE INTERIOR  
BOARD OF LAND APPEALS**

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)  
) **Order re Decommissioning of Leases OCS-  
) P 0205 and OCS-P 0217 dated January 4,  
) 2018**  
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) **IBLA-2018-\_\_\_**  
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)

*In Re Chevron U.S.A. Inc.*

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**CONSENT MOTION FOR ENTRY OF LIMITED STAY OF ORDER, SUSPENSION OF  
PROCEEDINGS AND REQUIRED REPORT TO THE BOARD**

Chevron U.S.A. Inc. (“Chevron”) has filed a Notice of Limited Appeal concerning a Bureau of Safety and Environmental Enforcement (“BSEE”) Order dated January 4, 2018 regarding “Decommissioning of Leases OCS-P 0205 and OCS-P 0217” (“Decommissioning Order” attached hereto as Exhibit A). Chevron hereby files this Consent Motion for Entry of Limited Stay of Order, Suspension of Proceedings and Required Report to the Board. Counsel for BSEE has been contacted and has indicated that BSEE consents to this motion.

**Background**

1.

In 2017, owners of Leases OCS-P 0205 and OCS-P 0217 (collectively the “Leases”) – Venoco, LLC. and its affiliate Ellwood Pipeline Company (collectively with their predecessors-in-interest “Venoco”) – filed Chapter 11 bankruptcy proceedings in the United States Bankruptcy Court for the District of Delaware, Case No. 17-10828 (KG). Pursuant to an order of the Bankruptcy Court, Venoco abandoned and relinquished to the Department of the Interior (“DOI”) the Leases and related assets on January 4, 2018, and thereby defaulted on

decommissioning obligations under DOI regulations. Chevron had sold the Leases and related assets to Venoco in April 1999 and, as a predecessor-in-interest, Chevron has certain decommissioning obligations that accrued up to the date of the sale.

Following Venoco's relinquishment of the Leases, BSEE delivered the Decommissioning Order to Chevron on January 4, 2018 requiring Chevron among other things "to completely decommission all such wells, pipelines, platforms, and other facilities" associated with the Leases for which it had accrued an obligation, and "per BSEE's regulations" to complete decommissioning "within one year of the date the leases were officially relinquished by Venoco."

2.

Pursuant to 30 C.F.R. Part 590, Chevron has filed herewith a Notice of Limited Appeal with the Board disputing and/or seeking clarity of certain parts of the Decommissioning Order, including but not limited to any requirement therein:

- to perform Venoco's decommissioning obligations that accrued after April 1999 related to a subset of wells that were drilled or sidetracked by Venoco; and
- to perform all decommissioning "within one year."

BSEE has not responded to Chevron's Appeal and nothing in this Consent Motion is intended to suggest BSEE's agreement with any of Chevron's contentions. Further, nothing in this Consent Motion is intended to result in a stay of the effect of the January 4 Decommissioning Order as it relates to Chevron's current performance of decommissioning work for which there is no disagreement among Chevron and BSEE.

3.

Chevron and BSEE are currently engaged in negotiations that could lead to an agreement and settlement relating to Chevron's appeal. In order to promote efficiency and to conserve resources of the parties and this Board, Chevron and BSEE, as explained below, jointly request that the Board enter an Order approving this Consent Motion.

**Limited Stay Of Decommissioning Order Regarding Portions Under Appeal**

4.

In light of the parties' ongoing settlement discussions and in the interest of administrative efficiency and conservation of resources, Chevron and BSEE respectfully request that the Board enter an order (i) granting a limited stay of the Decommissioning Order relating to those aspects of the Order under appeal ("the Stay"), (ii) allowing BSEE at any time after 60 days from entry of the Order to file with the Board a Notice of a request to have the Stay lifted, and (iii) in the event BSEE files such a Notice, allowing Chevron to renew its petition for a stay by filing with the Board within 30 days after receipt of BSEE's Notice papers pursuant to 43 C.F.R. § 4.21(b) requesting a continuance of the Stay.

**Request to Suspend Proceedings and to Require Report to the Board**

5.

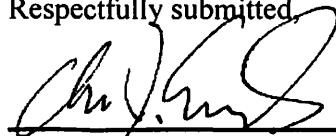
Chevron also respectfully requests with BSEE's consent that the Board enter an order suspending all further proceedings in this matter (including deadlines for filing a Statement of Reasons and Answer, and BSEE's obligation to assemble and file the Administrative Record). Such a suspension of the appeal proceedings would facilitate the possibility of settlement and conserve administrative resources.

Within 90 days from the Board's entry of such an order, the parties would be required to report to the Board their progress in the settlement discussions. This suspension of the appeal proceedings would be lifted in the event either BSEE or Chevron files a Notice with the Board to lift the suspension, or as otherwise ordered by the Board.

WHEREFORE, for good cause shown, Chevron respectfully requests that the Board grant this Consent Motion for Entry of Limited Stay of Order, Suspension of Proceedings and Required Report to the Board.

Dated: March 5, 2018

Respectfully submitted,



Charles J. (Tim) Engel  
KING & SPALDING LLP  
1700 Pennsylvania Avenue, NW  
Washington DC 20006-4706  
Telephone: (202) 661-7800

Andrew M. Stakelum  
Erich J. Almonte  
KING & SPALDING LLP  
1100 Louisiana Street, Suite 4000  
Houston, Texas 77002-5213  
Telephone: 713-751-3200

Attorneys for Chevron U.S.A. Inc.

**CERTIFICATE OF SERVICE**

I hereby certify that service of the foregoing pleading was made in accordance with the applicable rules to the parties below on March 5, 2018.

via hand delivery to

U.S. Department of the Interior  
Office of Hearings and Appeals  
Interior Board of Land Appeals  
801 N. Quincy Street, Suite 300

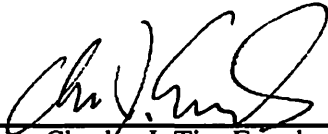
Arlington, VA 22203

via hand delivery and electronic mail to

Associate Solicitor  
c/o Eric Andreas, Attorney-Advisor  
Division of Mineral Resources  
Office of the Solicitor  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington, D.C. 20240  
<mailto:eric.andreas@sol.doi.gov>

and via electronic mail and delivery service to

U.S. Department of the Interior  
Bureau of Safety and Environmental Enforcement  
Pacific OCS Region  
760 Paseo Camarillo, Suite 102  
Camarillo, CA 93010-6064  
[rance.wall@bsee.gov](mailto:rance.wall@bsee.gov)  
[catherine.hoffman@bsee.gov](mailto:catherine.hoffman@bsee.gov)



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Charles J. Tim Engel

# EXHIBIT A



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

**COPY**

**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:



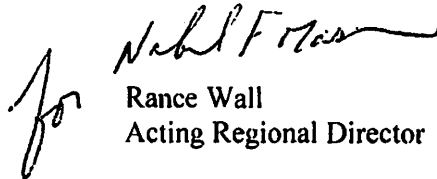
1. **Provide Written Acknowledgment of Receipt of Notification:** Within 15 days of receipt of this order, provide written acknowledgment of receipt of this notification to Mr. Nabil F. Masri, Regional Supervisor (RS), BSEE, Pacific OCS Region (POCSR), Office of Strategic Operations (OSO), at 760 Paseo 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](mailto: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.

Mr. J.E. Shellebarger

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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 Durlfänger, 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