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March 5, 2018

VIA ELECTRONIC AND EXPRESS DELIVERY

U.S. Department of the Interior Bureau of Safety and Environmental Enforcement Pacific OCS Region 760 Paseo Camarillo, Suite 102 Camarillo, CA 93010-6064

Acting Regional Director Rance Wall

and Ms. Catherine Hoffman

RE: Chevron U.S.A.

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

Dear Sir or Madam:

Please find enclosed a Notice of Limited Appeal by Chevron U.S.A. Inc. pertaining to the attached January 4, 2018 letter by the Acting Regional Director, Pacific OCS Region. A copy of a Pay.gov receipt reflecting payment of the appeal fee is also attached. Please contact me if you have any questions concerning this filing.

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

UNITED STATES DEPARTMENT OF THE INTERIOR INTERIOR BOARD OF LAND APPEALS

) }
In Re Chevron U.S.A. Inc.	Order re Decommissioning of Leases OCS-P 0205 and OCS-P 0217 dated January 4, 2018
) IBLA-2018
	/

NOTICE OF LIMITED APPEAL

Chevron U.S.A. Inc. ("Chevron") hereby notices its limited appeal of a January 4, 2018 order of the Bureau of Safety and Environmental Enforcement ("BSEE") regarding "Decommissioning of Leases OCS-P 0205 and OCS-P 0217" ("Decommissioning Order"). In accordance with the requirements of 30 CFR § 290.4, attached are copies of the Decommissioning Order (Exhibit A), and a *Pay.gov* confirmation receipt page reflecting payment of a processing fee for this appeal (Exhibit B).

Chevron appeals the following limited portions of the Decommissioning Order pursuant to the Administrative Procedure Act ("APA"), 5 U.S.C. § 706:

- 1. The Decommissioning Order requires Chevron "to completely decommission all such wells, pipelines, platforms, and other facilities," Exhibit A at 1, apparently without regard to work by Venoco after it acquired the Leases in April 1999, for which Chevron has no accrued obligations; and
- 2. The Decommissioning Order requires Chevron to "completely decommission" all applicable lease assets "within one year," id., which is not reasonably possible.

Chevron reserves the right to supplement this Notice of Limited Appeal with a Statement of Reasons.

Respectfully submitted,

Dated: March 5, 2018

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
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
catherine.hoffman@bsee.gov

Charles I' Tim Enge

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 0 4 2018

COPY

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

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, 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

Mr. Michael Villegas, Executive Officer Ventura County Air Pollution Control District 669 County Square Drive Ventura, CA 93003 4

EXHIBIT B



Receipt

Your payment is complete

Pay.gov Tracking ID: 2685L2KK Agency Tracking ID: 75436373928 Form Name: BSEE Fee for Appeals

Application Name: BSEE Fee for Appeals - AP

Payment Information

Payment Type: Debit or credit card

Payment Amount: \$150.00

Transaction Date: 03/02/2018 04:44:42 PM EST

Payment Date: 03/02/2018

Region: PAC

Contact: Erich Almonte, 713-751-3200 Company/Co No: Chevron U.S.A. Inc.

Appeal Description: Appeal of January 4, 2018 order

Account Information

Cardholder Name: Erich J Almonte Card Type: American Express Card Number: *********1001

Email Confirmation Receipt

Confirmation Receipts have been emailed to:

ealmonte@kslaw.com