

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION**

STATUS REPORT FOR REGULAR MEETING OF SEPTEMBER 2, 2010

Prepared on August 6, 2010

ITEM NUMBER: 10

**SUBJECT: ConocoPhillips Nipomo Creek Crude Oil Pipeline Release
Cleanup Case Status Report**

SUMMARY

This status report provides an update on progress in cleanup and closing the Nipomo Creek crude oil spill. The Central Coast Regional Water Quality Control Board (Central Coast Water Board) is the regulatory agency responsible for overseeing the investigation and cleanup of a release of crude oil from a pipeline adjacent to Nipomo Creek in Nipomo, San Luis Obispo County. This status report includes a Site Location Map as Attachment 1. The responsible party, ConocoPhillips, investigated the extent of petroleum hydrocarbons in soil and groundwater and prepared a Corrective Action Plan (CAP) for the site. On June 23, 2010, Central Coast Water Board staff sent out a Fact Sheet detailing the proposed remediation (i.e. partial excavation, lining, and bank stabilization) to interested parties and requested comments within 30-days. Central Coast Water Board staff considered all comments received and approved the proposed CAP on August 2, 2010. ConocoPhillips plans to implement the CAP after receiving all applicable permits. This item is for informational purposes; however, the Central Coast Water Board may provide project direction to staff.

DISCUSSION:

BACKGROUND

In May 2003, ConocoPhillips discovered the presence of crude oil in the subsurface near Nipomo Creek on the Dana Adobe property. ConocoPhillips reported the release to San Luis Obispo County Environmental Health Services. The release was the result of a leak from a crude oil transport pipeline, formerly operated by Unocal and currently operated by ConocoPhillips. ConocoPhillips repaired the pipeline and investigated the extent of soil contamination in October 2005. A subsequent investigation in November 2006 confirmed the presence of petroleum hydrocarbons in groundwater. The Central Coast Water Board became the lead oversight agency for the case in January 2007, assuming that role from the County.

Subsequent investigations have sufficiently defined the extent of soil and groundwater contamination. The impacted area is roughly circular, approximately 300 feet in diameter, and extends from the source area on the east side of the creek, underneath the creek to the west side, as shown on Attachment 1. Sediment sampling indicated that petroleum hydrocarbons are not present in the creek bed but geologic cross-sections indicate contaminated soil could potentially be present as little as two to three feet beneath the current creek bed. A clay layer beneath the creek bed prevents contamination from entering the creek.

In February 2009, ConocoPhillips submitted a Feasibility Study (FS) that identified and evaluated seven alternatives for site remediation, including: 1) No further action; 2) Monitored

natural attenuation; 3) Excavation, backfill, and reconstruction of Nipomo Creek; 4) Limited excavation and lining of key areas within the creek bottom; 5) Creek bank stabilization; 6) Rerouting of Nipomo Creek around the impacted area; and 7) Combination of one or more of the above options.

The FS recommended limited (or partial) excavation, lining, and bank stabilization as the preferred remedial alternative. Central Coast Water Board staff reviewed the FS and forwarded the document to the California Department of Fish and Game for evaluation. Staff from that agency indicated general concurrence with ConocoPhillips' preferred remedial option with some additional monitoring requirements. Central Coast Water Board staff concurred with findings in the FS and requested that ConocoPhillips submit a CAP with additional details regarding the recommended cleanup action.

PROPOSED CLEANUP APPROACH

To mitigate potential exposure from crude-oil impacted soil below Nipomo Creek, ConocoPhillips will excavate the bottom of the creek channel to a depth of 4 feet over a distance of approximately 300 feet. ConocoPhillips will transport impacted soil removed from the excavation to an authorized waste disposal facility.

ConocoPhillips will line the excavation with an impermeable geo-textile fabric to prevent recontamination of the clean backfill material. The excavation will then be backfilled with native or imported low-permeability materials. An articulating concrete block system will prevent downward and lateral erosion of the clay barrier and banks of the creek. Following installation, the new cap system will be packed and covered with native soil. Natural sand and gravel deposits will bury the concrete cap along the bottom of the creek. Biodegradable vegetation mats may also be installed over the capping system on the banks to facilitate and speed the re-growth of vegetation.

Site restoration includes replacement of removed trees, shrubs, plants, and native grasses within the areas disturbed by the construction activities. ConocoPhillips will collaborate with the landowner and The Land Conservancy of San Luis Obispo County to determine the types of riparian and non-riparian vegetation for site restoration.

NOTIFICATION AND COMMENTS

On June 23, 2010, Central Coast Water Board staff sent a Fact Sheet to all interested parties. The Fact Sheet provided summary information about the site and the proposed cleanup, provided a link for downloading and reviewing the CAP, indicated that the public would have 30 days to comment on the proposed plan, and provided Water Board staff contact information if the public had questions. Central Coast Water Board staff received a letter from a local resident, Mr. Ralph Bishop, which is included as Attachment 2. Mr. Bishop did not express concerns regarding the technical details of the plan but he is concerned that extensive permitting required for this project will significantly delay implementation of the remedial action.

CONCLUSION AND RECOMMENDATIONS

ConocoPhillips is prepared to initiate the corrective action after receiving all appropriate agency permits. In the FS, ConocoPhillips indicated that required permits could include

- County of San Luis Obispo grading permit;
- County of San Luis Obispo waste hauling permit;
- County of San Luis Obispo Air Pollution Control District permit to operate;

- Central Coast Water Board National Pollutant Discharge Elimination System General Permit for Highly Treated Groundwater discharge to Surface Water;
- California Department of Fish and Game permit;
- United States Fish and Wildlife Service permit;
- National Marine Fisheries Service permit; and
- United States Army Corp of Engineers permit (with Central Coast Water Board Certification).

Central Coast Water Board staff will meet, as needed, with ConocoPhillips and all permitting agency staff to expedite the permitting process. We anticipate that the proposed work could begin as soon as summer 2011, or if significantly delayed by the permitting process, summer 2012 at the latest.

ATTACHMENTS

Attachment 1: Aerial photograph of site and surrounding area

Attachment 2: Correspondence from Mr. Ralph Bishop dated June 28, 2010