

PXP

2009 Unused or Abandoned Equipment Removal Plan Inglewood Oil Field

Baldwin Hills CSD Conditions
L.14. and E.21.a

WORKING DRAFT SUBJECT TO CHANGE BASED
ON COUNTY REVIEW AND ACCEPTANCE

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1 Introduction

Plains Exploration & Production (PXP) operates the Inglewood Oil Field in the Baldwin Hills zoned District of Los Angeles County. The Inglewood Oil Field covers approximately 1,000 acres and is surrounded by single and multiple family dwellings as well as recreational, institutional, commercial, and industrial uses. To address issues of land use compatibility with surrounding land uses, the Los Angeles County Board of Supervisors recently adopted the Baldwin Hills Community Standards District (CSD) to provide a means of implementing regulations, safeguards, and controls for activities related to drilling for and producing oil and gas within the Inglewood Oil Field.

1.1 CSD Plan Requirements

CSD conditions E.21.a and L.14 require a plan for identification and removal of unused or abandoned equipment is as follows:

E. 21. a

Equipment Removal. All facilities that have reached the end of their useful economic life shall be properly decommissioned and removed from the oil field within one year. Areas not slated for future use shall be restored and revegetated within 90 days of termination of use, unless such restoration and revegetation would interfere with fire safety or access to oil operations.

L.14

Within 180 days following the effective date, or at such later date as may be approved by the director for good cause shown, the operator shall develop and submit to the director, for review and approval, an unused or abandoned equipment removal plan identifying all equipment at the oil field that is no longer in service and can be removed. This plan shall provide an inventory of all unused equipment and procedures for testing and handling the equipment pursuant to the operator's health and safety protocol. The plan shall identify a schedule for removal of the out of service equipment. The operator shall take such actions as may be necessary for the plan to be approved by the director. The plan shall be implemented in accordance with the schedule for removal contained therein, and in all events shall be fully implemented within one year of the director's approval, unless extended by the director for good cause shown. A compliance report shall be filed with the director semi-annually until all the unused or abandoned equipment identified in the plan has been removed.

2 2009 Equipment Removal Plan

2.1 Plan Overview

This report presents the plan for removal of unused or abandoned equipment on-site at PXP, in accordance with CSD requirements set forth in Section L.14 of the CSD. The removal plan identifies all equipment at the oil field that is no longer in service and can be removed. The plan provides an inventory of qualifying equipment, the corresponding schedule for removal of said equipment, and addresses appropriate procedures and policies for removal.

Section E.21 of the CSD is currently being satisfied through the combination of proposed CSD compliance and existing operations. This proposed removal plan satisfies sub-section A – Equipment Removal. Sub-section C – Site Debris and Vegetation is addressed by PXP separately with the Equipment Storage Screening Strategy report.

2.2 Abandoned Equipment Inventory & Removal Schedule

An inventory of abandoned or unused equipment on-site at the Inglewood field was carried out for compliance with CSD Section L.14, and can be seen below. The inventory contains existing on-site equipment that shall be removed in compliance with the CSD in addition to equipment that has recently been removed from the site. The plan shall be carried out in accordance with the dates given in the schedule, and all actions shall be fully implemented within one year of the director's approval, unless extended by the director for good cause shown.

| # | Inventory Item | Location | Scheduled Removal Date |
|----|--------------------------|--------------------------|------------------------|
| 1 | Piping and old equipment | Old yard | 2/4/2008 |
| 2 | Stock wash tank | STK TK SETTING | 3/1/2008 |
| 3 | Stock wash tank | STK TK SETTING | 3/2/2008 |
| 4 | Waste water tank | Shell tank setting | 4/15/2008 |
| 5 | Waste water tank | Shell tank setting | 4/16/2008 |
| 6 | Wash tank | Shell tank setting | 4/17/2008 |
| 7 | Stock tank | Shell tank setting | 4/18/2008 |
| 8 | Wash tank | Ruble setting | 6/11/2008 |
| 9 | Slop tank | Ruble setting | 6/11/2008 |
| 10 | 22188 TANK | Ruble setting | 6/11/2008 |
| 11 | 25086 Tank | Ruble setting | 6/11/2008 |
| 12 | Slop tank | Unit water plant | 7/14/2008 |
| 13 | Wemco | Unit water plant | 7/15/2008 |
| 14 | pumps and piping | Unit water plant | 7/16/2008 |
| 15 | 5k waste water tank | Ruble setting | 7/31/2008 |
| 16 | Stock tank | Lai 5k setting | 8/13/2008 |
| 17 | Stock tank | Lai 5k setting | 8/13/2008 |
| 18 | Stk Fresh Water tank | east of water tk | 8/21/2008 |
| 19 | Wash tank | Cone tank setting | 8/28/2008 |
| 20 | Stock tank | Cone tank setting | 8/28/2008 |
| 21 | 75X190 TANK | Tvic water plant | 9/22/2008 |
| 22 | 85C91M TANK | Tvic water plant | 9/23/2008 |
| 23 | 03M91P TANK | Tvic water plant | 9/24/2008 |
| 24 | Wash tank | Tvic water plant | 9/25/2008 |
| 25 | Stock tank | Dour tank setting | 11/18/2008 |
| 26 | Wash tank | Dour tank setting | 11/18/2008 |
| 27 | Wash tank | Dour tank setting | 11/18/2008 |
| 28 | Piping | Dour tank setting | 11/19/2008 |
| 29 | Slop tank | Cone tank setting | 12/1/2008 |
| 30 | Tvic gauge tank | tvic lact | 1/23/2009 |
| 31 | Tvic gauge tank | tvic lact | 1/23/2009 |
| 32 | 7 vessels | tvic lact | 1/23/2009 |
| 33 | Heater treater | Vic 2 setting | 1/25/2009 |
| 34 | Heater treater | Vic 2 setting | 1/26/2009 |
| 35 | Piping | Vic 2 setting | 1/26/2009 |
| 36 | Piping and old equipment | Vic 2 setting | 3/2/2009 |
| 37 | Gauge tank | Vic 2 setting | 5/1/2009 |
| 38 | Wash tank | Vic 2 setting | 5/1/2009 |
| 39 | Mufflers and coolers | north side gas plant | Dec 2009 |
| 40 | Guaging Tank | Vic 1-12 Setting | Dec 2009 |
| 41 | Gas Plant Mufflers | Old Yard | Dec 2009 |
| 42 | Old Sand Dumps | Old Yard | Dec 2009 |
| 43 | Seal Water Tank | Central Flood | Dec 2009 |
| 44 | Guaging Tank | BC 15 Setting | Dec 2009 |
| 45 | Shed | Next to Rubel 30 | Dec 2009 |
| 46 | Separator | BC 15 Setting | Dec 2009 |
| 47 | Electrical Equipment | South of the Johnson 10k | Dec 2009 |
| 48 | Heater | West of LAI Com 1-2178 | Dec 2009 |
| 49 | Green Vessel | West of LAI Com 1-2178 | Dec 2009 |
| 50 | Mixing Tub | By Acid Tanks | Dec 2009 |
| 51 | Small White Tank | Just south of LAI Pits | Dec 2009 |
| 52 | | | |

Figure 1 - Abandoned Equipment Inventory and Removal Schedule

2.3 Equipment Storage and Removal Policies and Procedures

Removal of unused or abandoned equipment must be carried out within the timeline specified above and per the appropriate procedures and policies of PXP in keeping with the requirements of the CSD. All equipment shall be handled and removed per existing PXP procedures for equipment handling and removal.

Removal is implemented using the following procedures, as is evidenced by this summary for tank demolition and removal below.

Summary of Tank Demolition Guidelines for Testing and Handling

1. Conduct asbestos and lead-based paint sampling
2. Ensure demolition contractor submits AQMD 10 day notification with copy to PXP area EH&S Department.
3. Obtain estimate of quantity of Asbestos Containing Material ("ACM") for disposal from demolition contractor to enable EH&S to order appropriate disposal containers.
4. Prior to commencement of demolition activities, address the following:
 - Conduct a pre-job safety meeting and complete Safe Work Permit. If any cutting (torch), chipping or grinding is performed, a Hot Work Permit is also required.
 - Certified ACM contractor required onsite for removal ACM in amounts >100 square feet. For ACM <100 square feet, contract personnel handling the ACM must complete minimum training requirements.
 - If lead based paint and asbestos are identified in quantities triggering OSHA action levels, appropriate respiratory protection will be worn.
 - If entry into tank is required, Permit Required Confined Space Entry procedures will be followed.
5. Upon completion of activities, EH&S to call Waste Transporter for proper disposal at Approved site. Ensure all manifest paperwork is completed properly and provide company copy to EH&S.

Figure 2 -Demolition Testing and Handling Guidelines

3 Conclusion

PXP has addressed the CSD requirements for unused or abandoned equipment removal in this plan. Abandoned or unused equipment has been identified by PXP personnel, presented in the inventory, and a removal date for each of these unused or abandoned items has been selected as to satisfy full implementation of plan within one year of the director's approval. Finally, procedures for removal have been included to illustrate that appropriate removal measures are being followed to ensure that equipment removal is carried out in a safe and environmentally friendly manner.

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