



May 20, 2020

Chair E. Joaquin Esquivel and Board Members
 State Water Resources Control Board
 P.O. Box 100
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Re: Environmental and Community Groups Strongly Oppose Proposed Aquifer Exemption in the Sisquoc and Monterey Formations of the Cat Canyon Oil Field, Santa Barbara County, California

Dear Chair Esquivel and Board Members,

The undersigned organizations urge the State Water Resources Control Board (“SWRCB”) to direct staff to not concur on the Application for Aquifer Exemption in the Sisquoc and Monterey Formations of the Cat Canyon Oil Field in Santa Barbara County (“County”), California (“Application”). In the alternative, we request that the Application be put

on hold until the United States Geological Survey (“USGS”) completes its current study on possible groundwater contamination in the Cat Canyon Oil Field. Our organizations represent thousands of Californians, and we speak with a unified voice.

The mission of the SWRCB is “[t]o preserve, enhance, and restore the quality of California’s water resources and drinking water for the protection of the environment, public health, and all beneficial uses,....”¹ Guided by its mission, the SWRCB, in coordination with the California Geologic Energy Management Division (“CalGEM”), evaluates proposals to exempt aquifers from federal protections under the Safe Drinking Water Act (“SDWA”) for the benefit of oil and gas production. (Pub. Res. Code § 3131) To fulfill its obligations, SWRCB must ensure that the injection of contaminated oil field fluids will not degrade drinking water. In doing so, the role of the SWRCB in the aquifer exemption process is not simply to supervise, but instead to actively participate and analyze an exemption proposal based on the science and data. This analysis must not be rushed or incomplete—the health and welfare of local communities depends upon it.

In this case, approving this Application could catalyze a significant increase in onshore oil and gas production in the County using dangerous extraction techniques, such as steam injection, that threaten the drinking water relied upon by local communities. As more and more aquifer exemptions are being approved in the coastal regions of California, your agency must approach these proposals systematically and take a hard look at the environmental impacts of each decision as well as collectively.

The SWRCB’s consideration of the Cat Canyon Aquifer Exemption Application comes on the heels of a series of initiatives by the State to safeguard public health and the environment from oil and gas activities.² These actions are intended to advance California’s goal for carbon-neutrality by 2045 and manage declining oil production and consumption in the State.³ The need for more oversight of oil and gas extraction was recognized by Governor Gavin Newsom as a critical step in the phase out of fossil fuel energies. However, the State’s pronounced agenda for oil and gas operations is entirely contradicted by this pending Application, which would open the door for around 500 new wells in the Cat Canyon Oil Field. How can the State justify entertaining an Application that could substantially expand oil and gas activities while also stressing the need for stronger protections from these operations?

The SWRCB must take a hard look at this Application and the precedent it may set. The Cat Canyon Aquifer Exemption was requested by oil and gas operators proposing to significantly increase the intensity of risky oil and gas operations in the Field. Two operators in particular, TerraCore Operating Company, LLC (“TerraCore”)⁴ and Aera Energy, LLC (“Aera”),⁵ have

¹ State Water Resources Control Board, *Home page*, available at: <https://www.waterboards.ca.gov/>.

² Department of Conservation, *California Announces New Oil and Gas Initiatives* (November 19, 2019).

³ *Id.*

⁴ The project was initially proposed by ERG Operating Company, LLC (“ERG”) and therefore the project is known as the ERG West Cat Canyon Revitalization Plan Project. However, due to bankruptcy, ERG’s assets in Cat Canyon were acquired by TerraCore Operating Company, LLC (“TerraCore”), effective June 28, 2019. TerraCore acquired ERG’s existing operations in the Cat Canyon Oil Field as well as its pending project application.

projects before the County for review that would triple current onshore oil production.⁶ Both projects propose to utilize extremely energy-intensive enhanced oil recovery techniques, such as steam injection and steam flooding. If approved, these projects will cause irreparable, unmitigated damage to numerous acres of important sensitive habitat and native vegetation, endangered wildlife, water quality, and public health.⁷

Our organizations oppose the significant expansion of the existing Cat Canyon Aquifer Exemption because we cannot afford to put our water at risk. Parts of the Cat Canyon Oil Field are currently ranked among the top 1% for groundwater threats, heightening concerns about the degradation of groundwater if this aquifer exemption is approved.⁸ This area in Cat Canyon is also ranked in the 90th percentile for drinking water contaminants and in the 97th percentile for impaired surface water bodies.⁹ SWRCB has a duty to protect our water from risky operations and toxic injections, yet the Application threatens the quality of our water.

To adequately protect the health and safety of the affected communities, we ask that the Board direct staff to not concur on the Application for the Cat Canyon Aquifer Exemption. In the alternative, we ask you to pause the review process until your staff and the public are provided with the opportunity to review and assess the groundwater quality results from the pending study by USGS in Cat Canyon. The USGS study is mandated by California Senate Bill 4, which authorized the Regional Monitoring Program (“RMP”), a collaboration between SWRCB and USGS to determine the hydrogeologic relationships between oil and gas activities and protected groundwaters. The RMP utilizes science and technical data to prioritize oil and gas fields based on the potential risk of groundwater to oil and gas development.¹⁰ Cat Canyon Oil Field is ranked a high priority study area based on the field’s high volume of injection, and the USGS study began in 2019.¹¹ Members of our organizations want to know the results of this study *before* a decision is made on the Cat Canyon Aquifer Exemption.

Preliminary groundwater quality results released by the USGS with regards to the Orcutt Oil Field and Oxnard Oil Field found potential contamination from oil and gas activities. In the

⁵ *AERA East Cat Canyon Oil Field Redevelopment Project Draft Environmental Impact Report* at 4.9-11 (November 2018) (“In anticipation of multiple requests for aquifer exemptions and/or extensions of existing exemptions under the UIC Program, DOGGR requested a single geologically integrated exemption application for the entirety of the Cat Canyon Oil Field; Aera, as well as ERG, PetroRock and BE Conway Energy have jointly applied for such an exemption.”).

⁶ *ERG West Cat Canyon Revitalization Plan Project Final Environmental Impact Report* at 4.9-11 (February 2019) (“In coordination with Aera, PetroRock and BE Conway, ERG has applied for such an exemption for proposed WCCRP steam injection.”); *See also AERA East Cat Canyon Oil Field Redevelopment Project Draft Environmental Impact Report* at 4.9-11 (November 2018).

⁷ *Id.* at 4.3-49—4.3-50; 4.9-17; *Id.* at 4.3-58; 4.9-16.

⁸ California Office of Environmental Health Hazard Assessment, *Maps & Data*, available at: <https://oehha.ca.gov/calenviroscreen/maps-data>. Census tract 6083002006.

⁹ *Id.*

¹⁰ Davis, T.A., Landon, M.K., and Bennett, G.L., 2018, *Prioritization of oil and gas fields for regional groundwater monitoring based on a preliminary assessment of petroleum resource development and proximity to California’s groundwater resources: U.S. Geological Survey Scientific Investigations Report 2018–5065* at 1, available at: <https://doi.org/10.3133/sir20185065>.

¹¹ *Id.* at 67.

neighboring Orcutt Oil Field, the preliminary results released by the USGS found mixing between oil-field fluids and groundwater in four of the sixteen wells sampled in the field.¹² In the Oxnard Oil Field, thermogenic methane was detected in at least two wells and possibly a third well.¹³ Notably, USGS found that the groundwater wells with the highest thermogenic signals were located above cyclic steaming activity.¹⁴ Existing sampling and information indicates that it is likely that oil-field fluids and/or thermogenic gases will be detected in at least some groundwater wells throughout Cat Canyon Oil Field.

These initial findings by USGS in the Orcutt and Oxnard Oil Fields demonstrate the need for your staff to take extra care in making decisions that may impact Santa Barbara County's vital freshwater. It is imperative that the groundwater sampling results from the Cat Canyon USGS study are included as an additional layer of analysis in the review process for the proposed Cat Canyon Aquifer Exemption.

For the foregoing reasons, we urge the SWRCB to direct staff to not concur on the Application or at least place the Application on hold until the USGS completes its study on groundwater quality in the Cat Canyon Oil Field. Thank you for your consideration of our concerns and for the health and wellbeing of our communities.

If you have any questions, please contact Tara Messing, Staff Attorney, Environmental Defense Center at tmessing@environmentaldefensecenter.org or 805-963-1622 x104.

Sincerely,

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¹² State Water Resources Control Board, *USGS Stakeholder Meeting* (February 25, 2019), available at: https://www.waterboards.ca.gov/water_issues/programs/groundwater/sb4/regional_monitoring/#stakeholder.

¹³ *Id.*

¹⁴ *Id.*

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