

County of Monterey

Board of Supervisors Chambers 168 W. Alisal St., 1st Floor Salinas, CA 93901

Board Report

File #: 14-990, Version: 1

Receive presentation by the California Department of Conservation regarding oil and gas extraction, with focus on state regulation of hydraulic fracturing, acid matrix stimulation, and acid well stimulation treatments.

RECOMMENDATION:

Staff recommends the Board of Supervisors receive a presentation by the California Department of Conservation (DOC) on oil and gas extraction.

SUMMARY:

The Division of Oil, Gas, and Geothermal Resources (DOGGR or 'division') of the State Department of Conservation (DOC) regulates the drilling, operation, maintenance and abandonment of oil and gas wells in California. Recent legislation, Senate Bill 4 (SB4), was signed by Governor Brown in September of 2013. It requires DOGGR to finalize and implement regulations governing well stimulation, including governing well construction and disclosure of the composition and disposition of well stimulation fluids. It also requires the state to prepare an EIR "to provide the public with detailed information regarding any potential environmental impacts of well stimulation in the state." (Public Resources Code section 3161(b)(3).) SB4 requires the regulations to be adopted by January 15, 2015 and the EIR to be certified by July 15, 2015. County of Monterey staff has been closely following this process and has submitted comments on the draft regulations and attended public meetings.

County staff has proposed revisions to the County inland zoning ordinance (Title 21) for the permitting of oil and gas wells. These amendments were heard at the Planning Commission in April of 2014, and the Planning Commission recommended adoption. These amendments would require property owners that propose the use of well stimulation treatments on new or existing wells to obtain a land use permit from the County prior to utilizing these well stimulation treatments. The Planning Commission also recommended that the Board consider adopting an interim ordinance temporarily prohibiting the exploration for and removal of oil and gas that use certain well stimulation treatments. The Planning Commission hearing engendered requests from some members of the public for more time to consider the proposals and for a workshop on the proposals prior to Board consideration of them.

Monterey County RMA staff invited the DOC to present a workshop at the Board of Supervisors' meeting to educate the public, stakeholders, and decision makers on well stimulation treatments and the proposed state regulations prior to the Board acting on local ordinances. Staff has requested DOC to describe the proposed state regulation of well stimulation and identify the role of various state agencies in regulation of this matter. The workshop should assist the County in determining what aspects remain within local control and subject to County regulation, which will help inform the County decision-makers as they consider proposed County land use regulation of oil and gas extraction. Subsequent to this workshop, County staff intends to reexamine the draft amendments to Title 21 (inland zoning) and prepare an interim ordinance, bring these ordinances again to public hearing at the Planning Commission for recommendation, and lastly, bring the proposed ordinances to the Board of Supervisors for consideration. The hearings at the Planning Commission and Board of Supervisors will be duly noticed, and the public will have the opportunity to testify at the upcoming DOC workshop and

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subsequent public hearings.

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