



County of Monterey

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

Board Report

File #: 17-0128, **Version:** 1

Consider Authorizing the Chair of the Board to send a Comment Letter to the California Department of Conservation, Division of Oil, Gas and Geothermal Resources regarding the San Ardo and McCool Ranch Aquifer Exemption Expansion Application.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Chair of the Board to send a Comment Letter to the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) regarding the San Ardo and McCool Ranch Aquifer Exemption Expansion Application.

SUMMARY:

Wastewater produced as part of the oil extraction process in Monterey County is injected back into the aquifer in close relation from where it originated. The ability to inject the wastewater is dependent upon receiving approval from the state Division of Oil, Gas and Geothermal Resources ("DOGGR") and the U.S. Environmental Protection Agency ("EPA"), and the area of injection is specifically described. Several oil companies operating in Southern Monterey County applied to expand the aquifer area boundary for wastewater injection. A public hearing on the application is set for 4:00 to 7:00 p.m., February 9, 2017 at the King City Recreation Center. The written comment period on the application ends on February 16, 2017.

DISCUSSION:

Oil extraction in Monterey County produces substantial amounts of wastewater, and the wastewater is disposed mainly by underground injection back into the aquifer. This practice has occurred for many decades. Measure Z, approved by the voters in November 2016, phases out wastewater injection in Monterey County in five to fifteen years. In addition, Measure Z makes findings related to the health, safety and welfare of Monterey County. Health, safety and welfare impacts are matters on which the County Board of Supervisors may appropriately comment.

Currently, such injection is prohibited unless an aquifer exemption is approved by DOGGR and the EPA. An exemption, with specified boundaries, was granted in 1983 for the aquifer underneath the San Ardo and McCool Ranch oil fields in South Monterey County. An application was filed to expand the boundaries of the exemption area. The application was filed by Chevron U.S.A. Inc. (Chevron); Aera Energy LLC (Aera); California Resources Corporation (CRC); New York Oil Company (NY Oil); and Trio Petroleum LLC (Trio).

The exemption expansion proposal is referred to as the McCool Ranch and San Ardo application and pertains to an underground area known as the Lombardi Sands and Aurignac Sands, from which oil is currently extracted and wastewater currently disposed. The request is to expand the injection area to the geologic boundary of the Lombardi and Aurignac Sands of the Monterey Formation in the proposal area.

The application and DOGGR hearing materials set forth the basis for the request as well as the criteria for approval. The criteria include geologic confinement of the aquifer, low quality of water in the aquifer, and the unlikely event that the aquifer will ever be used for the production of drinking water. Because wastewater

injection may impact the health, safety and welfare of Monterey County residents, it would be appropriate for the Board to comment on the expansion proposal. Attached hereto is a draft letter for Board consideration.

FINANCING:

Costs associated with this report are expected to be minimal.

Prepared by:

Approved by:

Charles J. McKee
County Counsel

Charles J. McKee
County Counsel

Dated: February 1, 2017

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