



June 9, 2014

Assembly Member Wesley Chesbro
Chair, Committee on Natural Resources
Legislative Office Building
1020 N St. Room 164
Sacramento, CA 95814

SUPPORT: SB 1281 (Pavley) Oil and gas production: Water use reporting

Dear Chair Chesbro and committee members

On behalf of the undersigned organizations, we are writing to support SB 1281 (Pavley). This bill would require disclosure and reporting of water use by the oil industry, and encourage the use of recycled water in oil production activities. Oil production in California is a water intensive industry, yet currently the state does not require disclosure of the volumes and sources of water used for most oil production related activities. The bill would also limit the use of freshwater for oil production in times of drought emergencies.

SB4 (Pavley), which passed in 2013, compels reporting of water use for well stimulation treatments. While such disclosure is important, it only tells part of the story. The majority of existing oil operations in California rely on enhanced oil recovery (EOR) techniques such as water flooding, steam flooding or cyclic steaming. These processes are water intensive, yet the extent to which freshwater is used and which sensitive water resources may be impacted is unknown. As a result, the impacts of this water demand on basins and aquifers is unknown, not recorded, not tracked, and not included in local and regional water supply agencies' planning efforts.

With the majority of oil production occurring in areas of extreme drought and competing water interests, such as Kern County where compromised drinking water sources, already contaminated groundwater, and a large, water reliant agriculture industry are all present, understanding the oil industry's use of water should be a top

priority. Additionally, during times of drought as is currently the case, limits on freshwater use should be implemented for the oil industry, just as cities, farmers and individuals must often cut back. Farming and residential/commercial water uses are widely and effectively tracked, but many oil and gas recovery related uses are not. This situation must change so local water agencies can plan for water supplies and water allocations knowing all the demands on the resources they manage.

Additionally, the bill would require disclosure and reporting of oil and gas wastewater disposal locations and methods. Oil and gas wells produced 126 billion gallons of wastewater in 2012. Such wastewater is often high in salinity, heavy metals and can contain naturally occurring radioactive materials (NORMs), as well as fluids, many of which are toxic, added during well stimulation, drilling, or other points during the lifespan of a well. In order to protect water quality, and plan for the allocation of our water supply to various competing uses, our state regulators must be able to track the disposal of all oil and gas wastewater. Oil and gas wastewater has been linked numerous times to contamination of ground and surface water and many of these instances are attributable to poor planning and inadequate tracking or oversight. The disposal and temporary storage of oil and gas wastewater in open air and unlined pits is especially concerning as impacts to air and water quality are much more likely compared to closed loop systems. Requiring the Division of Oil Gas and Geothermal Resources (DOGGR) to provide an inventory of unlined pits will help the State and Regional Water Boards ensure the protection of ground water quality near these pits.

More transparency will result in better oversight of this risky waste stream and better forward planning to mitigate the impacts on our water supply. The tracking proposed in this bill is an example of both good planning and sound assistance by the state to local water agencies in need of better inventories of their demands and supplies.

Sincerely,



Andrew Grinberg
Oil and Gas Program Manager
Clean Water Action

John Brooks
President
Citizens for Responsible Oil & Gas
(CFROG)



Jena Price
Legislative Affairs Manager
California League of Conservation Voters



Jhon Arbelaez
California Organizer
Earthworks



Bill Allayaud
California Director of Government Affairs
Environmental Working Group



Damon Nagami
Senior Attorney
Natural Resources Defense Council



Jennifer Wagoner
President
League of Women Voters of California

Kathy Calloway
Board President
Mainstreet Moms

Paula Getzelman
Southern Monterey County Rural
Coalition



Jeff Kuyper
Executive Director
Los Padres ForestWatch



Dan York
Associate Director
The Wildlands Conservancy

cc:
Senator Fran Pavley
Natural Resources Committee Members