



Central Valley Regional Water Quality Control Board

1 May 2018

Drilling Specialties Company
Attention Elan Watson
10001 Six Pines Drives
The Woodlands, TX 77380

CERTIFIED MAIL
7016 2710 0000 2529 4129

CALIFORNIA WATER CODE DIRECTIVE PURSUANT TO SECTIONS 13267 AND 13267.5. You are legally obligated to respond to this Order. Please read this Order carefully.

Drilling Specialties Company (DSC) has been identified as a supplier of petroleum production chemicals and additives (additives) to California Resources Production Corporation (CRC) for use in production wells in Kern County, California. Additives used in the Kern Front Oil Field may be found in CRC's oil production wastewater (produced water), which is blended and used for the irrigation of crops intended for human or livestock consumption.

California Water Code (Water Code) section 13267.5, which became effective on 1 January 2018, authorizes the Central Valley Water Regional Water Quality Control Board (Central Valley Water Board), when conducting investigations pursuant to Water Code section 13267, to obtain information directly from suppliers and manufacturers of chemicals and additives (herein referred to as suppliers) used by oil field operators, if the suppliers will not provide the information to the entities subject to the investigation.

On 28 December 2017, Central Valley Water Board staff sought additive information from CRC. The response from CRC identified DSC as a supplier and stated that the required information is in DSC's possession. On 12 February 2018, the Central Valley Water Board issued an Order (copy enclosed) via certified mail directing DSC to submit a report. On 16 April 2018, DSC requested information from the Central Valley Water Board regarding information submitted by CRC. DSC requested that the information be sent to DSC via certified mail. Pursuant to Water Code sections 13267 and 13267.5, by **16 May 2018**, must provide a technical report to the Central Valley Water Board. The technical report must contain a complete list of all additives and any associated constituents found in products supplied to CRC for use in the Kern Front Oil Field, including those additives: (1) added to production wells, (2) used in the oil recovery process, (3) used during the drilling process (4) added during treatment and separation, and (5) used during the transportation process. CRC reports using the following DSC products in the Kern Front Oil Field:

- Desco CF;
- Drispac Super Low;
- Flowzan/Geozan; and
- HEC Liquid Polymer.

DSC must provide the following:

1. A list of all additives supplied to CRC for use in the Kern Front Oil Field in the past two years;
2. Material Safety Data Sheets for each additive; and
3. A complete list of all constituents or ingredients, active and inert, that comprise the additives, and their associated CASRN numbers.

If DSC cannot obtain all of the above information for any reason, then DSC shall provide a report containing:

1. A written statement describing what information is not being provided and the reason it is not being provided; and
2. If DSC cannot obtain the information because it is in the possession of a supplier to DSC, then DSC must include the names of those additives and supplier contact information.

The technical information and report required by this Order are necessary to assess concerns associated with potential impacts to waters of the State by the use of produced water for the irrigation of crops. Produced water supplied by CRC is blended with other water sources that have beneficial uses, which includes agricultural supply, as designated by the *Water Quality Control Plan for the Tulare Lake Basin, Second Edition, Revised January 2015* (Basin Plan). The produced water is also blended into reservoirs, canals, and spreading basins which overlie groundwater with additional beneficial uses. The need to understand potential water quality issues that may impact the beneficial uses of waters of the State justifies the need for the information and reports required by this Order. Due to the nature and possible consequences of the produced water discharges, the burden of providing the required information, including reporting costs, bears a reasonable relationship to the need for the report and the benefits to be obtained. Based on the information in the technical report, the Central Valley Water Board may require additional information or take additional action.

Pursuant to Water Code section 13268, any person failing or refusing to furnish technical reports as required by Water Code section 13267, or falsifying any information provided therein, is guilty of a misdemeanor, and may be liable civilly. Civil liability may be administratively imposed.

DSC shall provide a "Certification" statement with the report. The "Certification" shall include the following signed statement:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

The technical report must be submitted in **hard copy** form to the attention of:

Clay Rodgers
Central Valley Water Board
1685 E Street
Fresno, CA 93706

Any trade secret or proprietary information should be submitted with the report in a separate envelope marked "confidential." Within the envelope, each page of the report containing trade secret information must be identified as such in red font at the top of the page.

If you have any questions regarding this matter, please contact Rebecca T. Asami of this office at (559) 445-5548 or at rebecca.asami@waterboards.ca.gov.



for Pamela C. Creedon
Executive Officer

Enclosure: 12 February 2018 Order to DSC

cc: Patrick Pulupa, Incoming Executive Officer, Central Valley Water Board, Rancho Cordova (via email)
Julie Macedo, Office of Enforcement, State Water Resources Control Board, Sacramento (via email)
Stephanie Yu, Office of Chief Counsel, State Water Resources Control Board, Sacramento (via email)
John Borkovich, Division of Water Quality, State Water Resources Control Board, Sacramento (via email)
Jim Robinson, CRC, Bakersfield