

## Los Angeles Regional Water Quality Control Board

March 14, 2016

Mr. Charlie Plant  
Tidelands Oil Production Company  
111 W. Ocean Boulevard, Suite 800  
Long Beach, California 90802

Certified Mail  
Return Receipt Requested  
**CLAIM NO. 7015 0640 0006 6057 2964**

### REVIEW OF TECHNICAL REPORT PURSUANT TO CALIFORNIA WATER CODE SECTION (13267) ORDER R4-2015-0387 TIDELAND OPERATIONS LOS ANGELES COUNTY, CALIFORNIA GLOBAL ID T1000008435, CASE NO. OG90802-5

Dear Mr. Plant:

On December 18, 2015, the California Regional Water Quality Control Board, Los Angeles (Regional Board) directed Tidelands Oil Production Company (Tidelands) to submit a technical report. On January 15, 2016, Regional Board staff received the following document:

- Letter Regarding California Water Code Directive Pursuant to Section 13267, from Tidelands, Claim No. 7015 0640 0006 6057 9260, dated January 15, 2016.

#### SUMMARY OF LETTER

As detailed in the letter, in 2006 Tidelands was acquired by Occidental Petroleum Corporation (OXY). In 2014, as part of a spinoff of OXY's assets in California, Tidelands became a wholly owned subsidiary of California Resources Corporation (CRC).

Tidelands reported that from 2006 to the present, Tidelands has drilled 314 wells without the utilization of drilling sumps.

Tidelands stated that there are no processes for oil and gas drilling and/or production that discharge any waste material or other fluids that could directly affect the quality of waters within its region. Tidelands noted that oil and gas processing occurs in closed systems in tanks, vessels, and pipelines. All drilling and production wastes are handled in accordance with Department of Toxic Substances Control (DTSC) regulations and are sent to approved and regulated disposal facilities.

Tidelands operates a lease owned by the Port of Long Beach (Previously owned and operated by Union Pacific Resources Company) located at 421 Henry Ford Avenue in the City of Wilmington, which has been used for oil field operations since the 1930's. Tidelands reported that between 1948 and 1970, liquid wastes such as drilling muds, tank bottoms, solid debris, solvents, spent catalysts, paint, sludge, and other liquids that did not conform to the site's disposal permits were deposited into 19 shallow clay lined sumps. In 1970, disposal of liquid

waste reportedly ceased. Residual liquids were removed and the sumps were reportedly covered with two to three feet of clean soil. Tidelands stated that the Port has remediated the property and submitted a Removal Action Completion Report dated October 9, 2009 in accordance with a Cleanup and Abatement Order issued by the Regional Board on July 27, 2007.

Tidelands interpreted that a concrete-lined, fully enclosed unit was not considered a discharge to land and was not identified as a sump for the purpose of their response. Tidelands noted that the concrete-lined, fully enclosed units are considered exempt per California Code of Regulations, Title 27 section 20090 (i) and are permitted and regulated by the South Coast Air Quality Management District (SCAQMD).

## REGIONAL BOARD COMMENTS

In the California Water Code Section 13267 Order (Order) sent to Tidelands, a "sump" was defined as any open pit, pond, excavation, natural depression, or any other area serving as a receptacle for collecting and/or storing fluids or solid waste material from an oil and gas well or group of oil and gas wells. In addition, for the purpose of the Order, discharges to sumps include any fluids associated with oil/gas drilling and production operations in the fields Tidelands operates. Tidelands was directed in the Order to submit a Technical Report including information specified in numbers 1-9 of the Order. The Order specified that if no discharges occurred during the period in which Tidelands or any subsidiary has owned and/or operated within the oilfield or fields Tidelands operates in, a requirement was to include a description of disposal methods, destinations, and volumes for fluids associated with drilling practices and oil/gas operations.

The Regional Board considers the submitted report incomplete. While Tidelands noted that all drilling and production wastes are handled in accordance with DTSC regulations and are sent to approved and regulated disposal facilities, the required details of disposal methods, destinations, and volumes for fluids were not provided.

As specified in numbers 6-9 of the Order, the location of any domestic, municipal, and commercial water wells within a half-mile radius of any current or historic sump were not provided, nor was historical and current water quality data provided for any of these wells. Locations, well construction, survey data, and water quality data for any monitoring wells in the vicinity of any current or historical sumps was also not provided.

If a concrete-lined, fully enclosed unit, as described by Tidelands, is used as a receptacle for collecting and/or storing fluids or solid waste material from an oil and gas well or group of oil and gas wells, these features would fit the definition of a sump for the purpose of the Order and should be reported in details as required by the Order.

Tidelands is required to complete the report and resubmit immediately.

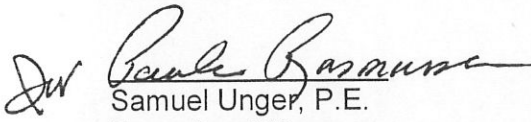
All technical information must be submitted in an electronic format compatible with the State's GeoTracker system following the requirements of California Code of Regulations, title 23, section 3893 (available at [http://www.waterboards.ca.gov/ust/electronic\\_submittal/docs/text\\_regs.pdf](http://www.waterboards.ca.gov/ust/electronic_submittal/docs/text_regs.pdf)). A unique case

identifier (Global ID) has now been assigned to this Order contained in Attachment A.

The required technical report is necessary to investigate the characteristics of and extend of the discharges of waste at the site and to evaluate cleanup alternatives. Therefore, the burden, including costs, of the report bears a reasonable relationship to the need for the report and benefits to be obtained. Pursuant to section 13268 of the California Water Code, failure to submit the required technical report by the specified due date may result in civil liability administratively imposed by the Regional Board in an amount up to one thousand dollars (\$1000) for each day each technical report is not received.

If you have any questions regarding this matter, please contact Mr. Joshua Cwikla at (213) 576-6713, or by email at [joshua.cwikla@waterboards.ca.gov](mailto:joshua.cwikla@waterboards.ca.gov), or Dr. Yue Rong at (213) 576-6710, or by email at [yue.rong@waterboards.ca.gov](mailto:yue.rong@waterboards.ca.gov).

Sincerely,

  
Samuel Unger, P.E.  
Executive Officer

Attachment A: GeoTracker Upload Instructions and Assigned Global Identification Number

cc: John Borkovich, State Water Resources Control Board  
Christine York, State Water Resources Control Board  
Janice Zinky, State Water Resources Control Board  
Eric Gillman, Office of Chief Counsel, State Water Resources Control Board  
David Coup, Office of Chief Counsel, State Water Resources Control Board  
Bruce Hesson, Department of Oil, Gas, and Geothermal Resources  
Pat Abel, Department of Oil, Gas, and Geothermal Resources  
Daniel Dudek, Department of Oil, Gas, and Geothermal Resources



ATTACHMENT A  
GeoTracker Upload Instructions and Assigned Global Identification Number(s)

Technical justifications included in correspondence letters/reports, work plans, and technical reports and associated data shall be uploaded in an electronic format compatible with the State's GeoTracker system. To begin the process:

- Log in or create a password
- Claim your site(s) (i.e. global ID)
- Add field point name(s)
- Upload the following:
  - Work plan/Technical report and associated data (GeoReport)
  - \*laboratory report (EDF)
  - \*Site Maps (GeoMAP)

For more information, please contact the GeoTracker Help Desk at [Geotracker@waterboards.ca.gov](mailto:Geotracker@waterboards.ca.gov) or (866) 480-1028.

Project Name	Assigned Global ID Number	Regional Board Case Number
Tideland Operations	T10000008435	OG90802-5

\*GeoTracker submittal may not be required for all document types.

