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## Central Valley Regional Water Quality Control Board

22 June 2021

Kennith C. Beard, CEO  
KB Oil & Gas, Inc.  
3201 Berkshire Road  
Bakersfield, CA 93313

**CERTIFIED MAIL**  
**7018 3090 0001 1080 6334**

**NOTICE OF APPLICABILITY (NOA), CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD, ORDER NUMBER R5-2017-0036, WASTE DISCHARGE REQUIREMENTS FOR OIL FIELD DISCHARGES TO LAND, GENERAL ORDER NUMBER THREE, KB OIL AND GAS, INC., ANDERSON LEASE, RICHARDSON LEASE, ROCO LEASE, CYMRIC OIL FIELD, KERN COUNTY**

KB Oil and Gas, Inc., (KB Oil) operates oil production facilities at the Anderson Lease, the Richardson Lease, and the Roco Lease in the Cymric Oil Field (facilities). KB Oil collectively utilizes a total of six active unlined surface impoundments (ponds) for the disposal of oil field produced wastewater (discharge). The Anderson Lease has a single pond in the southwest corner of section 19, T29S, R21E, MDB&M. The Anderson Lease pond is 75 feet long by 40 feet wide by 12 feet deep. The Richardson Lease has two ponds in the east half of section 18, T29S, R21E, MDB&M. The Richardson Lease Pond 1 is 90 feet long by 30 feet wide by 10 feet deep, and the Richardson Lease Pond 2 is 75 feet long by 25 feet wide by 10 feet deep. The Roco Lease has three ponds in the south east corner of section 18, T29S, R21E, MDB&M. The Roco Lease Pond 1 is 20 feet long by 20 feet wide by 10 feet deep, the Roco Lease Pond 2 is 60 feet long by 30 feet wide by 12 feet deep, and the Roco Lease Pond 3 is 90 feet long by 35 feet wide by 10 feet deep.

Central Valley Water Board staff received a Notice of Intent (NOI) for coverage under “*Order R5-2017-0036 Waste Discharge Requirements General Order for Oil Field Discharges to Land, General Order Number Three*” (General Order Three). The NOI included a completed Form 200, titled “*Application/Report of Waste Discharge...*”, and a document dated 4 December 2020 and titled “*Notice Of Intent, Central Valley Water Board General Order R5-2017-0036, Discharges Of Oil Field Waste To Land, Report Of Waste Discharge, KB Oil And Gas, Inc., Anderson, Ball, Richardson and Roco Leases, Cymric Field, Kern County...*” (NOI Technical Report). Central Valley Water Board staff in a letter dated 27 January 2021 acknowledged receipt of the NOI, indicated that Central Valley Water Board staff could find no record of having received the required

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KARL E. LONGLEY ScD, P.E., CHAIR | PATRICK PULUPA, ESQ., EXECUTIVE OFFICER

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application fee, and informed KB Oil of the need to submit the application fee. As of the date of this NOA the Central Valley Water Board does not have a record of receipt of the application fee. This application fee is now overdue.

This letter serves as formal notice that General Order Three is applicable to the discharges at the Anderson, Richardson, and Roco Leases. General Order Number **R5-2017-0036-020** is hereby assigned to all produced wastewater discharges into the ponds on the Anderson, Richardson and Roco Leases that are identified in **Table 1**, below. KB Oil should become familiar with all the requirements, time schedules, prohibitions, and provisions of General Order Three, and Monitoring and Reporting Program R5-2017-0036 (MRP).

**Table 1 Pond coordinates and the dimensions.**

<b>Lease and Pond</b>	<b>Latitude, Longitude</b>	<b>Pond Dimensions in feet Length, Width, Depth</b>
Anderson Pond	35.384930°, -119.763130°	75, 40, 12
Richardson Pond 1	35.405150°, -119.752770°	90, 30, 10
Richardson Pond 2	35.405020°, -119.752740°	75, 25, 10
Roco Pond 1	35.398730° -119.751340°	20, 20, 10
Roco Pond 2	35.398770°, -119.751080°	60, 30, 12
Roco Pond 3	35.398940°, -119.750870°	90, 35, 10

Coverage of produced wastewater discharges into the ponds on the Leases is allowable under General Order Three because information provided in the NOI Technical Report shows that the pond has received produced wastewater discharges during the 10 years prior to 26 November 2014.

Cleanup and Abatement Order R5-2015-0734 (CAO) was issued to KB Oil on 1 July 2015 for its seven ponds on the Anderson, Ball, Richardson and Roco Leases in the Cymric Oil Field. This letter serves as formal notice that the CAO is hereby rescinded.

The NOI Technical Report requested that a single permit be issued for all the KB Oil ponds in the Cymric Oil Field. However, Central Valley Water Board staff have determined that the Ball Lease pond should be regulated under a separate permit. The Ball lease pond is between four and five miles from the ponds on the other three leases and may be subject to differing hydrogeologic conditions. This is also in keeping with Central Valley Water Board practice with regards to issuing General Order permits to other dischargers who have multiple facilities within the same oil field.

As stated in Water Code section 13263, all discharges of waste into waters of the state are privileges, not rights. General Order Three does not create a vested right for KB Oil to continue the discharges of waste to the ponds. Failure to comply with the terms and conditions of General Order Three or to prevent conditions that create or threaten to create pollution or nuisance or cause degradation will be sufficient reason to modify, revoke, or enforce the provisions of General Order Three, as well as prohibit further discharge.

In 2006, the Central Valley Water Board, the State Water Resources Control Board (State Water Board), and regional stakeholders began a joint effort to address salinity and nitrate problems in the region and adopt long-term solutions that will lead to enhanced water quality and economic sustainability. Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) is a collaborative basin planning effort aimed at developing and implementing a comprehensive salinity and nitrate management program. The CV-SALTS effort might effect changes to the Water Quality Control Plan for the Tulare Lake Basin (Basin Plan) that would necessitate the re-opening of General Order Three.

#### **FACILITY SPECIFIC REQUIREMENTS**

1. KB Oil shall maintain exclusive control of the discharge and shall comply with all requirements and timelines of General Order Three and the MRP.
2. KB Oil shall pay the required annual fee specified in the annual billing from the State Water Board until coverage under General Order Three is officially terminated. KB Oil must notify the Central Valley Water Board in writing to request termination.
3. Discharge Specifications, Item B.2., General Order Three states: *“The discharge flow shall not exceed actual maximum monthly average produced wastewater flow to the pond between 26 November 2004 and 26 November 2014. The discharge flow also shall not exceed the maximum design flow of the Facility’s limiting unit as described by the technical data in the NOI.”*

The maximum average monthly effluent flow to the Anderson Lease pond identified in the NOI Technical Report was 6,401 barrels (bbls) or 268,842 gallons (gal). KB Oil shall not exceed this monthly maximum discharge volume to the Anderson Lease pond.

The maximum average monthly effluent flow to the Richardson Lease ponds identified in the NOI Technical Report was 3,601 bbls or 151,242 gal. KB Oil shall

not exceed this monthly maximum discharge volume to the Richardson Lease ponds.

The maximum average monthly effluent flow to the Roco Lease ponds identified in the NOI Technical Report was 6,870 bbls or 288,540 gal. KB Oil shall not exceed this monthly maximum discharge volume to the Roco Lease ponds.

4. KB Oil shall not discharge produced wastewater outside of the ponds except for a permitted dust control use. If KB Oil intends to apply for use of produced wastewater for dust control, a proposed management plan as described in Provision E.6 of General Order Three must be submitted at least **90 days** prior to the anticipated discharges. Dust control discharges shall not commence until KB Oil receives Executive Officer written approval of the management plan.
5. Pursuant to Provision E.3 of General Order Three, KB Oil has submitted an acceptable engineered alternative to the General Order Three requirement to install effluent flow meters. The NOI Technical Report states “...*produced water is discharged in discrete batches on a weekly or biweekly basis with the volume of each individual batch gauged at the tank. This method of measuring the volume of the discharge is more accurate than the estimates provided by flow meters.*”

KB Oil must record the dates and volumes of all wastewater discharges to the ponds and report them quarterly, as required by the MRP.

6. KB Oil shall operate and maintain the ponds sufficiently to protect the integrity of containment and berms and prevent overtopping and/or structural failure. Discharges not authorized by the General Order and not described in the NOI Technical Report shall be reported to the Central Valley Water Board Fresno office. Discharge of wastes other than those described in the NOI Technical Report is prohibited. KB Oil shall file a Report of Waste Discharge relative to any material change or proposed change in the character, location, or volume of the discharge.
7. The NOI Technical Report states that “*Tank bottoms are periodically removed from the oil/water separation tanks and is hauled off-site for disposal at the SCWW facility in Belridge, California. If in the future solids are generated that will to be reused on-site for berms or roadways, a Solids Management Plan will be submitted to the Central Valley Water Board at least 180 days prior to any solid waste removal and disposal.*” KB Oil shall monitor the accumulation of solids in the pond and if needed, clean out solids from the pond as required by General Order Three Discharge Specifications B.16. KB Oil shall characterize any solid

waste generated in accordance with the Solid Waste Monitoring section of the MRP, and KB Oil shall comply with General Order Three Solids Disposal Specifications D.1 through D.5. KB Oil needs to dispose of solids at appropriately permitted disposal facilities.

8. The NOI Technical Report states that “*KB Oil performs no individual well stimulation activities.*” This indicates that the produced wastewater discharge does not contain fluids from wells that have been stimulated. If this condition changes, KB Oil must inform the Central Valley Water Board. As provided for by Prohibition A.3 of General Order Three, the discharge of fluids used in “well stimulation treatment,” as defined by CCR, title 14, section 1761 (including hydraulic fracturing, acid fracturing, and acid matrix stimulation), to land is prohibited.
9. KB Oil shall, pursuant to Provision E.4.b of General Order Three, comply with the time schedule on pages 23 through 26 of General Order Three. This time schedule establishes a 5-year process, during which KB Oil must demonstrate that the natural background groundwater quality for the facility meets the Sources of Drinking Water Policy exception criteria and/or parallel exception criteria outlined in the General Order (Findings 22 through 24) and thus the current Basin Plan groundwater beneficial uses are eligible for de-designation.

Initial tasks that KB Oil must complete include the following: Task 1 – on an ongoing basis, participate in the CV-SALTS Group to facilitate the Basin Plan Amendment (BPA) process under the Salt and Nutrient Management Plan; Task 2 – submit **by 22 October 2021**, an outline of the BPA Work Plan to the Central Valley Water Board for review; Task 4 – submit **by 22 April 2022**, the completed BPA Work Plan to the Central Valley Water Board for review; Task 6 – implement the BPA Work Plan and submit, **by 22 June 2024**, submit a final technical report, as well as semi-annual progress reports, to the Central Valley Water Board for review. Subsequent tasks require review of the proposed BPA by stakeholder groups, the public, the State Water Resources Control Board (State Water Board), and the Office of Administrative Law.

KB Oil may work with other pond operators in the Cymric Oil Field to obtain a Basin Plan amendment covering the area of their respective ponds.

The MRP requires extensive monitoring requirements. Failure to comply with the requirements in General Order Three and the MRP could result in an enforcement action as authorized by provisions of the California Water Code. [A copy of General Order Three and the MRP](#) is included with the enclosures to this notice and can also be found online.

([https://www.waterboards.ca.gov/centralvalley/board\\_decisions/adopted\\_orders/general\\_orders/r5-2017-0036.pdf](https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/general_orders/r5-2017-0036.pdf))

The MRP includes monitoring and reporting of chemicals and additives. KB Oil should become familiar with those requirements. The Central Valley Water Board will review the MRP periodically and revise requirements when necessary. The MRP can be modified if KB Oil provides sufficient data to support the proposed changes. If monitoring consistently shows no significant variation in magnitude of a constituent concentration or parameter after a statistically significant number of sampling events, KB Oil may request the MRP be revised by the Executive Officer to reduce monitoring frequency or minimize the list of constituents. The proposal must include adequate technical justification for reduction in monitoring frequency.

KB Oil must comply with the Central Valley Water Board's Standard Provisions and Reporting Requirements for Waste Discharge Requirements, dated 1 March 1991 (Standard Provisions). [A copy of the Standard Provisions](#) is included with the enclosures to this notice and can also be found online. ([https://www.waterboards.ca.gov/centralvalley/board\\_decisions/adopted\\_orders/std\\_provisions/wdr-mar1991.pdf](https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/std_provisions/wdr-mar1991.pdf))

Any person aggrieved by this action of the Central Valley Water Board may petition the State Water Board to review this action in accordance with Water Code section 13320 and CCR, title 23, division 3, chapter 6, section 2050 and those that follow. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date of this Notice of Applicability, except that if the thirtieth day following the date falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day.

## **SUBMISSIONS**

KB Oil shall submit electronic copies of all work plans, reports, analytical results, and groundwater elevation data over the internet to the [State Water Board Geographic Environmental Information Management System database](#) (GeoTracker) at ([http://www.waterboards.ca.gov/ust/electronic\\_submittal/index.shtml](http://www.waterboards.ca.gov/ust/electronic_submittal/index.shtml))

[A frequently asked question document for GeoTracker](#) can be found at ([http://www.waterboards.ca.gov/ust/electronic\\_submittal/docs/faq.pdf](http://www.waterboards.ca.gov/ust/electronic_submittal/docs/faq.pdf)).

Electronic submittals shall comply with GeoTracker standards and procedures, as specified on the State Water Board's web site. Uploads to GeoTracker shall be completed on or prior to the due date. The GeoTracker site Global I.D. numbers associated with this NOA are as follows:

KB OIL and Gas, Inc. - 7 -  
Notice of Applicability for General Order Three  
Anderson, Richardson, and Rocco Leases,  
Cymric Oil Field  
Kern County

22 June 2021

**T10000006968** for the Anderson Lease pond,  
**T10000006971** for the Richardson Lease ponds,  
**T10000006972** for the Roco Lease ponds.

In addition, documents that are less than 50 MB shall be sent via electronic mail to: [centralvalleyfresno@waterboards.ca.gov](mailto:centralvalleyfresno@waterboards.ca.gov). Documents that are 50 MB or larger shall be transferred to a disk and mailed to the Central Valley Water Board office at 1685 E Street, Fresno, CA 93706.

Please review the enclosed memorandum for more information. If you have any questions regarding this matter, please contact Zachary Jarvie of this office at (559) 445-5455 or at [zachary.jarvie@waterboards.ca.gov](mailto:zachary.jarvie@waterboards.ca.gov).

*Original Signed by Clay L. Rodgers:*

Patrick Pulupa  
Executive Officer

Enclosures: 22 June 2021 Memorandum  
1 March 1991 Standard Provisions  
General Order Three

cc: Mark Ghann-Amoah, Deputy for the Inland District Division of Oil Gas and Geothermal Resources, Bakersfield (NOA and Memorandum only, Via Email)  
Kennith L. Beard, Director, KB Oil & Gas, Inc., Bakersfield  
Mark R. Magargee, PG, CHg, Consulting Hydrogeologist, Bakersfield (NOA and Memorandum only, Via Email)  
Andrew Grinberg, National Campaigns Special Projects Manager, Clean Water Action (NOA and Memorandum only, Via Email)  
Bill Allayaud, California Director of Government Affairs, Environmental Working Group (NOA and Memorandum only, Via Email)