



California Independent Petroleum Association
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Ms. Pamela Creedon, Executive Officer
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670
Pamela.Creedon@waterboards.ca.gov

Mr. Patrick Pulupa, Advisory Counsel
State Water Board, Office of Chief Counsel
P.O. Box 100, Sacramento, CA 95812
Patrick.Pulupa@waterboards.ca.gov

Dear Ms. Creedon and Mr. Pulupa:

Thank you for the opportunity to comment on the proposed Cease and Desist Order (CDO) for the Valley Water Management Company scheduled for July 30 or 31, 2015. CIPA is a non-profit, non-partisan trade organization representing over 170 oil and gas producers and over 350 associate members throughout California, including Valley Water Management and many of the operators it serves. CIPA is aware that requests to move this hearing to Kern County have been denied. As a quasi-judicial body, the Regional Water Board should allow for a vigorous defense of Valley Water Management's operations. The travel and logistics of getting multiple people to Sacramento to the hearing is burdensome and not in the best interest of hearing from all who are affected.

Despite operations that have been in use since the 1950's and evidence that the water has not percolated or migrated beyond the property boundaries, staff has not allowed time for alternative means of water disposal to be explored. The most common method of water disposal is injection, which staff and everyone involved know the challenges to getting a UIC permit while a review of existing wells continues between DOGGR, State Water Board and U.S. EPA. There are other alternatives being explored including possibly providing the water to the Arvin-Edison Water Storage District for blending to dilute the salinity before using this water on crops, treating the water for use on a local commercial interest, or creating a Salt Management Plan to ensure continued use in an environmentally responsible manner. Each of these alternatives will take time and potentially environmental review under CEQA. Each of these will also take funding that will not be available if the independent oil producer members of Valley Water are shut down and put out of business.

Without options, this order will shut in many producer wells, putting people out of work, negatively affect mineral right owners, lowering property values, reducing tax revenues to both the state and locally. Exploring alternatives takes time and money, both of which will be limited by this CDO with no creditable evidence of additional harm.

Allow Valley Water Management to continue to use their operation that has been permitted for over half a century. In this severe drought, the Water Boards need to think creatively about ways to reuse this “new” source of water, not focus on punitive enforcement actions. CIPA urges the Regional Board to provide Valley Water with the time needed to formulate and implement these solutions.

Thank you in advance for your consideration of our comments. Please feel free to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Blair Knox". The signature is written in a cursive style with a large initial "B".

Blair Knox
CIPA Director of Regional Affairs