

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION
ORDER NO. R5-2017-XXXX

AMENDING WATER CODE SECTION 13301
ORDER NO. R5-2015-0093

FOR
VALLEY WATER MANAGEMENT COMPANY

RACE TRACK HILL FACILITY AND FEE 34 FACILITY
EDISON OIL FIELD
KERN COUNTY

The California Regional Water Quality Control Board, Central Valley Region, (hereafter Central Valley Water Board) finds that:

1. On 30 July 2015, the Central Valley Water Board adopted Water Code Section 13301, Order No. R5-2015-0093, for Valley Water Management Company's Race Track Hill facility and Fee 34 facility in the Edison Oil Field.
2. Order No. R5-2015-0093 was issued to Valley Water Management Company to provide specific requirements and a timeline to come into compliance with waste discharge requirements issued by the Central Valley Water Board or cease the discharge of produced wastewater to surface impoundments or land at the Race Track Hill facility by 1 January 2018.
3. The Race Track Hill facility receives produced wastewater for disposal from numerous small operators in the Edison Oil Field. The following operators discharge produced wastewater to Valley Water Management Company's Race Track Hill facility and are collectively known as "Edison Beneficial Reuse:"
 - a. Sequoia Exploration;
 - b. Atlantic Oil;
 - c. Bud's Oil;
 - d. Premier Oil;
 - e. Petro Resources Company; and
 - f. Sun Mountain Oil.
4. Since early 2016, Edison Beneficial Reuse has been working to develop and implement alternative disposal methods for produced wastewater generated in the Edison Oil Field.
5. On 9 October 2017, representatives from Valley Water Management Company and Edison Beneficial Reuse met with Central Valley Water Board staff to discuss the status of two alternative disposal methods for produced wastewater:

- a. Disposal Wells – In 2015, an individual unrelated to Valley Water Management Company or Edison Beneficial Reuse submitted an Underground Injection Control (UIC) Application to the Division of Oil, Gas, and Geothermal Resources (DOGGR) for four UIC wells adjacent to the Fee 34 facility. In July 2017, DOGGR issued a preliminary UIC Project Approval Letter for the discharge of produced wastewater to the Vedder Formation. As of October 2017, DOGGR is reviewing the Assignment documents that transfer the UIC Project wells from the original applicant to Edison Beneficial Reuse. Due to delays from DOGGR and complications with the ownership agreements, Edison Beneficial Reuse has not been able to initiate the UIC Project for the disposal of produced wastewater.
 - b. Beneficial Reuse – Edison Beneficial Reuse has established a blended reuse project that would use treated produced wastewater from Valley Water Management Company’s Fee 34 facility during nine months of the year. During the off-season, or as needed, produced wastewater would be transferred to the UIC wells for disposal. Members of Edison Beneficial Reuse are anticipating a substantial investment in permitting, antidegradation modeling, and construction costs.
6. On 9 October 2017, Edison Beneficial Reuse stated that neither of the alternative disposal methods (discussed in Finding 5) of this Order could be implemented before the deadline of 1 January 2018. Valley Water Management Company requested the deadline extension of 18 months, to 1 July 2019, to provide adequate time for members of Edison Beneficial Reuse to implement alternative disposal methods that will reduce and eventually eliminate the discharge of produced wastewater to the Race Track Hill facility. Without a deadline extension, the immediate shutdown of these facilities would jeopardize the existence of the six small businesses that employ approximately 20 people and generate nearly \$500,000 in royalties for lease owners.
7. When Order No. R5-2015-0093 was adopted, approximately 10,000 barrels of produced wastewater were discharged to the Race Track Hill facility per day. Since that time, many current and former Valley Water Management Company members have pursued alternative disposal options and no longer utilize the Fee 34 facility and Race Track Hill facility. Over the past year, produced wastewater flows have been averaging 1,400 to 1,800 barrels per day.
8. The discharge of produced wastewater to the Race Track Hill facility has occurred since 1958. The requested time extension to allow for a greatly reduced discharge volume of produced wastewater while Edison Beneficial Reuse implements alternative disposal methods will have significantly less impact on groundwater than historic activities at that site.

California Environment Quality Act

9. The action to amend Order No. R5-2015-0093 is exempt from the provisions of Chapter 3 of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.) because it involves no significant changes to the facility and does not expand the existing use (Cal. Code Regs. tit. 14, § 15301).

Public Notice

10. The Central Valley Water Board has notified the Discharger and interested agencies and persons of its intent to amend Order No. R5-2015-0093 for this discharge and has provided them with an opportunity for a public hearing and an opportunity to submit their written views and recommendations.
11. The Central Valley Water Board, in a public meeting, heard, and considered all comments pertaining to the discharge.

IT IS HEREBY ORDERED that, pursuant to sections 13301 and 13267 of the California Water Code, Order No. R5-2015-0093 is amended as shown in Attachment A. Specific changes in Attachment A are underline for additions and strikeout for deletions.

Any person aggrieved by this action of the Central Valley Water Board may petition the State Water Board to review the action in accordance with Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date of this Order, except that if the thirtieth day following the date of this Order 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. Copies of the law and regulations applicable to filing petitions may be found on the Internet at:

http://www.waterboards.ca.gov/public_notices/petitions/water_quality

or will be provided upon request.

This Order is effective as of the date of adoption.

ORDER NO. R5-2017-XXXX
AMENDING WATER CODE SECTION 13301 ORDER NO. R5-2015-0093
VALLEY WATER MANAGEMENT COMPANY
RACE TRACK HILL FACILITY AND FEE 34 FACILITY
EDISON OIL FIELD, KERN COUNTY

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I, PAMELA C. CREEDON, Executive Officer, do hereby certify that the foregoing is a full true, and correct copy of an Order adopted by the California Regional Water Quality Control Board on ___

PAMELA C. CREEDON, Executive Officer

Order Attachment

- A. Water Code Section 13301 Order No. R5-2015-0093, As Amended By Order No. R5-2017-XXXX