

LATE REVISIONS – 7/8 December 2017

Item 8 Valley Water Management Company, Race Track Hill Facility and Fee 34 Facility, Edison Oil Field, Kern County – Consideration of an Order Amending Water Code Section 13301 (Cease and Desist Order) Order No. R5-2015-0093.

Specific changes are underlined for additions and strikeout for deletions.

Order Amending Water Code Section 13301 (Cease and Desist Order) Order No. R5-2015-0093

Page 1 Revise title as follows:

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

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Page 1 Revise Finding 3 as follows:

3. The Race Track Hill facility receives produced wastewater for disposal from numerous small operators in the Edison Oil Field. Seven operators have not been able to implement alternative disposal methods and are currently dependent on Valley Water Management Company accepting this produced wastewater. ~~The following six operators have partnered together 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.

The seventh operator is Pyramid Oil Company and is not associated with Edison Beneficial Reuse. Edison Beneficial Reuse has requested that Valley Water Management Company seek a deadline extension for Order R5-2015-0093 to permit the continued discharge of produced wastewater to the Race Track Hill Facility until 1 July 2019.

Page 2 Revise Finding 5.a. as follows:

- a. Disposal Wells – In 2015, Verjill Oil Company ~~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. On 31 July 2017, Verjill Oil Company transferred ownership of the UIC wells to Atlantic Oil Company. 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. Atlantic Oil Company is in the process of transferring ownership of the UIC wells to Edison Beneficial Reuse. Edison Beneficial Reuse indicated it needs more time to finish the transfer of ownership and to prepare the UIC wells for injection into the Vedder Formation.

Page 2 Revise Finding 5.b. as follows:

- b. Beneficial Reuse – Edison Beneficial Reuse has ~~established~~ proposed 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. . .

Pages 2-4 Revise headers as follows:

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

Page 3 Revise Finding 9 as follows:

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). The amendment of Order No. R5-2015-0093 is an action by a regulatory agency to enforce provisions of the Water Code, Division 7, and is thus exempt from the provisions the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.) in accordance with California Code of Regulations, title 14, section 15321(a)(2).

Attachment A – Water Code Section 13301 (Cease and Desist Order) Order No. R5-2015-0093 As Amended By Order No. R5-2017-XXXX

Page 1 Revise title as follows:

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WATER CODE SECTION 13301
CEASE AND DESIST
ORDER NO. R5-2015-0093
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Pages 2-16 Revise headers as follows:

ATTACHMENT A
WATER CODE SECTION 13301 ~~ORDER NO. R5-2015-0093~~
CEASE AND DESIST ORDER NO. R5-2015-0093
AS AMENDED BY ORDER NO. R5-2017-XXXX
VALLEY WATER MANAGEMENT COMPANY
FEE 34 FACILITY AND RACE TRACK HILL FACILITY
KERN COUNTY

Page 8 Revise Finding 38 as follows:

38. On 16 October 2017 ~~9 October 2017~~, Edison Beneficial Reuse sent a letter, via electronic mail, to the Central Valley Water Board ~~stated that states~~ neither of the alternative disposal methods discussed in Finding 36 of this Order could be implemented before 1 January 2018.

LATE REVISIONS
ORDER NO. R5-2017-XXXX
AMENDING WATER CODE SECTION 13301
CEASE AND DESIST ORDER NO. R5-2015-0093
VALLEY WATER MANAGEMENT COMPANY
FEE 34 FACILITY AND RACE TRACK HILL FACILITY
KERN COUNTY

Page 14 Add Requirement 8 as follows:

8. The monthly average daily discharge of produced wastewater to the Race Track Hill Facility shall not exceed 2,500 barrels. This shall be calculated by summing the daily flows for the month and dividing by the number of days in the calendar month.