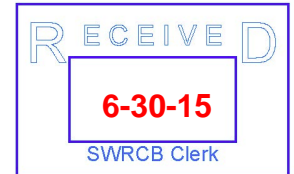




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June 30, 2015

CIPA comments regarding State Water Resources Control Board (Water Board) Model Criteria

Thank you for the opportunity to comment on the State Water Board's SB 4 Ground Water Model Criteria. The California Independent Petroleum Association (CIPA) is a non-profit, non-partisan trade association representing approximately 500 independent crude oil and natural gas producers, royalty owners, and service and supply companies operating in California. Our members represent approximately 70% of California's total oil production and 90% of California's natural gas production including operations that utilize well stimulation.

General Comment 1: Based on our understanding of the concurrence process as presented in Section 2.2, the Water Board appears to be shifting written concurrence from an area such as a section, to concurrence for a specific well or groups of wells within the section. The implication is that concurrences would need to be reacquired as new stimulation projects are identified. Is our impression correct? If so, why would this be necessary? The presence or absence of protected water is unrelated to activities planned within that water.

Suggested modification: Clearly state what is obtained by receiving written concurrence (area approval of written concurrence, or well specific).

Specific Comment 1: Previously granted written concurrences will no longer be valid (paragraph 6). Considerable effort went into preparation and approval of CRC's 14 concurrences packages over the last year. Starting over on these concurrences seems grossly unnecessary because the absence of protected water has not changed. Preparation of these redundant concurrence requests will take valuable staff time of the requesting companies and Water Board staff, though approval should be a foregone conclusion.

Suggested modification: Remove requirement to resubmit previously approved concurrences.

Specific Comment 2: Oil field site map should include wells that have or will undergo stimulation (paragraph 7, no. 1). For a large field producing an accurate map of all wells stimulated is a huge data review task. In addition, review of data by the state-registered professional geologist or engineer would be a tremendous undertaking. Given that little or no insight would be gained on the presence or absence of protected water, this requirement is

unnecessarily burdensome. In regards to wells that will undergo stimulation, does this refer only to previously DOGGR approved stimulations that have not been implemented?

Suggested modification: delete the words “that have or will undergo stimulation”.

Specific Comment 3: Geologic cross-sections through each well to undergo stimulation (paragraph 7, no. 3). There needs to be clarity on what is meant by “well to undergo stimulation”. This could mean wells that have DOGGR approval but have not been implemented, or all future wells to undergo stimulation. In the later case, many cross sections may be necessary if numerous wells are later identified for stimulation. The additional cross sections would not provide meaningful information on the presence or absence of protected water. In addition, there is the implication that additional concurrences will be required if additional stimulation opportunities are identified. This is another example of excessive and unnecessary work that does not add to defining the presence or absence of protected water.

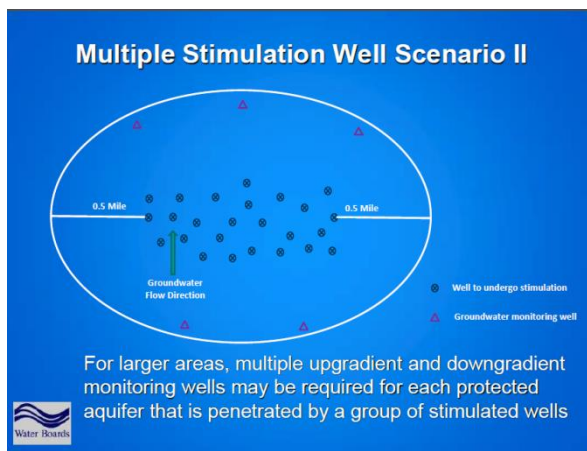
Suggested modification: delete the words “through each well to undergo stimulation”.

Specific Comment 4: A table of proposed stimulation depths for each well is required (paragraph 7, no.5). Again, specific information on the proposed stimulation depths does not contribute toward the determination of the presence or absence of protected water. A better solution, which has been employed in previously approved concurrences, is to note the stratigraphic intervals to be stimulated on the strike and dip cross sections.

Suggested modification: delete item no. 5, and add to no. 3 to the list of items for inclusion on cross sections the words “production intervals to be stimulated”.

Specific Comment 5: Section 2.0

On May 19, 2015 staff showed slide 19 depicting a conceptual groundwater monitoring program for relatively large groups of WST wells located in relatively close proximity to each other and penetrating the same aquifer(s). CIPA believes the conceptual monitoring program depicted in slide 19 represents a true “area-specific groundwater monitoring plan” contemplated in SB 4. This type of groundwater monitoring plan provides a cost effective method to provide the environmental protection that is the goal of SB 4 without requiring “well by well” monitoring.



CIPA is concerned that Section 2.0 and its associated subsections, as written in revised draft plan, does not explicitly recognize the suitability of this type of area-specific groundwater monitoring.

CIPA recommends that the Board add a special subsection to Section 2.0 describing “Multiple High Density WST Groundwater Monitoring Plans”.

This subsection should reference a figure similar to slide 19 (above) and would:

1. Describe the density of wells to qualify
2. Describe baseline water conditions criteria
3. Describe the location of the perimeter monitoring wells
4. Describe the monitoring plan information requirements
5. Acknowledge that once sufficient information is obtained to establish the perimeter monitoring system, new WST wells within the perimeter, the new WST permit would merely reference the perimeter plan with no additional information requirements.

Thank you again for the opportunity to comment. Please feel free to contact me if you have any questions or input.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rock Zierman', with a stylized flourish extending to the right.

Rock Zierman
CEO