

August 5, 2011

Re: Comments on Excelaron/Mankins DEIR

Dear Mr. McKenzie,

I am very concerned that the issuance of a Conditional Use Permit to Excelaron, LLC. to produce oil from twelve wells in the Huasna Valley is a Trojan horse designed to open the door to further oil development in the designated Huasna Oilfield.

The San Luis Obispo County Code, Title 22, Land Use Ordinance Chapter 22.34.030.B regarding Production Oil Well Permits states:

1. Conditional Use Permit approval is required for establishing any new oil field, other resource extraction production area, or to reopen a field that has been unused for 12 months or more, that involves single or multiple wells and related facilities.
2. Minor Use Permit approval is required where an additional well is proposed in an existing designated oil field, as identified by the California Department of Conservation, Division of Oil and Gas.

According to this ordinance, once a Conditional Use Permit is issued for the proposed project site located within the Division of Oil and Gas designated Huasna Oilfield, operators on other parcels of land not constrained by the CUP, but within the designated field boundaries, would only need to obtain minor use permits in order to drill additional wells. Such simplification of future permitting would have a growth inducing impact by encouraging other oil development in the designated Huasna Oilfield and would have cumulative effects with the addition of other oil production wells on adjacent lands.

The Minor Use Permit is a significantly easier process than the Conditional Use Permit and is decided by a planning director, who nevertheless retains the discretion to send the case to the Planning Commission: "At the discretion of the director, any minor use permit application for a project that may generate substantial public controversy or involve significant land use policy decisions may be referred to the commission for review and decision in the same manner as a use permit (Section 22.62.060), without the applicant being charged an additional application fee. Otherwise, the decision is discretionary, and subject to CEQA (see, Section 22.62.050).

The review of a Minor Use Permit, under CEQA, is a lot less complete and detailed than that required in an EIR, and the cumulative impacts of any new wells in the designated field will appear less because the project's environmental baseline has changed. By the time the applicant would come back for a minor use permit for more wells, a number of wells will have already been drilled and the project will be presumably by in operation. The magnitude of the impact of the new wells would appear less significant owing to the environmental degradation that would have already been resulted. The true impact of the additional wells, therefore, will not be assessed as the impact would be assessed against an already compromised environment.

The County, moreover, would be able to use the existing EIR, and claim it is not required to prepare a new or even subsequent or supplemental EIR because the new wells do not pose "new or different environmental impacts or a substantial increase in the severity of a previously identified significant effect." (see, CEQA Guideline 15162)

Historically 52 wells have been drilled in the Huasna Area and only a few produced small quantities of "sour tar." When the Division of Oil and Gas designated the Huasna Oilfield, they drew a boundary around the entire geological structure encompassing thousands of acres, despite the fact that oil had only been found in two small regions at the extreme northern and southern limits of the structure.

This broad definition of the designated Huasna Oilfield along with the simplification of the permitting process to a Minor Use Permit with a less rigorous CEQA review and a discretionary decision making process would open the door for other wildcat exploration companies to begin drilling at other locations within the designated Huasna Oilfield.

For years now you have assured the SLO county residents that Excelaron, LLC would be limited to a specific number of wells and a specific haul route. Will the next wildcat operator, applying for a minor use permit to drill in the "opened" Huasna Oilfield be so limited?

Sincerely,

Ron Skinner
5420 Huasna Townsite Rd.