

August 5, 2011

County Planning & Building Department  
Attn: John McKenzie, Project Manager  
976 Osos St. Rm.300  
San Luis Obispo, CA 93408

RE: DEIR for Excelaron Conditional Use Permit Application

Dear Mr. McKenzie:

Please adopt the environmentally superior alternative, the No Project Alternative, and deny the permit for this project.

San Luis Obispo County must do its own research and ask its own questions to ensure its residents are not irreversibly harmed. It cannot rely on others to have our best interests at heart—especially those with a financial interest. As part of the DEIR, it is important that the county fully research potential risks of vertical and horizontal drilling and hot water or steam injection to our ground water. If this project is approved, technical oversight and protections to our groundwater will be out of county hands—it will be left to Excelaron to monitor and DOGGR to enforce. I don't believe DOGGR has the staff or localized concern to do an adequate job. Look how long it left seeping oil wells and polluted equipment lying around the Huasna Valley from previous oil seekers.

Stress from hot water injection can cause micro-channels in wellbore cement and contaminate drinking water zones. If this project is approved, the well casing and caprock must be monitored 24/7 by real-time sensors (e.g., a ESG ResMap monitoring system) for breach or failure—in addition to stated DEIR mitigation requirements.

Moreover, a 2008 California study, *Alteration of Reservoir Diatomites by Hot Water Injection*," found that thermal recovery methods raise concerns that short-term improvements in oil recovery done in diatomaceous reservoir rocks (such as the Monterey formation) can lead to reservoir damage. (See <http://www.onepetro.org/mslib/servlet/onepetropreview?id=SPE-114183-MS&soc=SPE>)

The DEIR states “The groundwater basin is the *main* supply of water for the valley through individual wells and isolated water systems...” This statement is false. The groundwater basin is the *only* supply of water for the valley. This is a critical difference, where potential harm cannot be mitigated.

The DEIR, Water Resources 4.14-11 and 4.14-12, also states there is a *low likelihood* of a surface oil spill or undetected subsurface leak from injection wells or oil wells, and therefore the severity of impacts to surface water and groundwater resources associated with potential spills are considered less than significant with mitigation. Although I disagree with the DEIR and

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believe the risk is greater, let's accept that assessment at face value: The words, *low likelihood*, are not reassuring. How many of us would subject our loved ones, or even our favorite pets, to an activity or risk that has a "low likelihood" of killing them. Not many I suppose. We want better odds than that.

The residents of Huasna Valley feel that way about water. The families in Huasna Valley and near the 9000 acres of land for which Excelaron and associated companies have mineral rights, depend on the ground water for life and livelihoods. There is no other source of water. There are no city pipes that provide an endless supply from "somewhere." There's only one source of water—ground water. And once that's gone or polluted there is no more.

Sincerely,

*Cindy Hansen*

Cindy Hansen

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cc: County of San Luis Obispo, to the attention of:

Mr. Frank R. Mecham, 1<sup>st</sup> District Supervisor

Mr. Bruce S. Gibson, 2<sup>nd</sup> District Supervisor

Mr. Adam Hill, 3<sup>rd</sup> District Supervisor

Mr. Paul Teixeira, 4<sup>th</sup> District Supervisor

Mr. James R. Patterson, 5<sup>th</sup> District Supervisor

Mr. Gene Mehlschau, 4<sup>th</sup> District Planning Commission