

Planning Commission & Neighborhood EIR Scoping Meetings

January 14, 2010 & March 29, 2010

Excelaron Conditional Use Permit

Public Comments

The following is a summary of issues raised or opinions stated by speakers at this scoping meeting. None of these comments have yet been verified for accuracy. All relevant issues will be looked at by the EIR consultant, who will then base their discussion on verifiable sources. This summary does not include any additional points that may have been raised in individual letters that have been submitted separately on each respective project.

Aesthetics

- Scenic quality should be preserved.
- The EIR consultant and Commissioners should visit the project site and drive the oil shipment route to Highway 166/101.
- They should look at the nature of the project and consider how this will change the character of the valley.
- Potential Mitigation: Barn over top of rigs would mitigate noise and light pollution

Agricultural Resources

- The area is currently a productive agricultural area.
- The Ag Preserve Review Committee should have reviewed the new application (submitted in July as a brand new project) before the scoping meeting occurred.
- Graphics for the shipping site originally showed and described it as being on the Williamson Act parcel (APN#085-271-001). The applicant has provided information that the project, including the shipping site, is “mostly located outside the Williamson Act parcel”; this discrepancy needs to be resolved from an independent source, because:
 - i. The shipping site uses are not compatible on Williamson Act land: “The Williamson Act definition of petroleum extraction allows on-site processing of extracted oil only to the extent necessary to conform to pipeline requirements. It does not include processing to conform to truck transportation or operation of a vehicle and freight terminal.
 - ii. the 47,000 gallons of processed water from petroleum extraction is also not suitable for the contracted land
 - iii. Facilities more than 2500 square feet not allowed on William Act contracted land
- Generators from drilling in New Mexico leaked coolant that resulted in the death of livestock
- What new agricultural land will be put into production if some is taken out of production?
- Impacts from the roads through agricultural lands needs to be evaluated.

Air Quality

- An AB 32 analysis on green house gas emissions should be conducted.
- There will be three months of dust from drilling for each well, and for 12 wells this is three years.
- There are seven miles of dirt roads, which will get dusty.
- Application states Heating Generator to use 35-40 gallons/day; such generators typically use 158 gallons/day; there are 60,000 gallons of water heated per day
- The temperature cooling can also trap emissions, PM and smog
- Four years of temperature data was collected for a study in Huasna Valley: 90% of the nights result in temperature inversion causing PM and smog on 90% of the mornings
- The air quality effects of this inversion layer from the project emissions need to be considered

Fire

- High Fire risks in the area (considered Special Hazard Interface Area); very limited cell phone coverage to provide notice to existing fire stations
- Excelaron should obtain adequate Liability insurance for fire/spill/explosion
- Effectiveness of mitigations such as an emergency notification system and evacuation plan needs to be analyzed in EIR, not after EIR is prepared
- Suggestion for new fire station in Huasna Valley given the quickest fire response time is 39 minutes
- The requirement of electricity would eliminate the need for 10,000 gallons of on-site propane, which would reduce the fire risk.
- Concern of fires and explosions. The Cal Fire response time is greater than 35 minutes. There should be an analysis of the risk of fires/explosions/oil spills and the consequential environmental impacts. This should also include the area along the haul route.
- There is need for an evacuation plan, alert siren, automatic fire suppression system, and an impact fee for fire protection.

Geology

- Chevron has prepared seismic studies that were prepared in the late 1980's and they should be looked at.
- Previous soil contamination should be addressed.

Hazards-Hazardous Materials

- Produced water will generate mineral and salt scale in tanks, which will need to be removed; this scale may also contain hazardous and potentially radioactive materials; the scale/residue will need to be periodically removed; the analysis should evaluate this aspect.
- Concern of increased potential for fires, explosions, and oil spills. There is no good way to dispose of the natural gasses found (which also have potential for explosion).

- The shipping site is approximately 800 feet from a residential house, and there is concern that property will not be able to be sold for at least 200 years due to potential contamination.
- Generators from drilling in New Mexico leaked coolant that resulted in the death of livestock
- If Phase III (clean-up of previous testing work) is not attained, will cleanup occur regardless?
- Phase I Site Assessment includes the findings of hydrocarbon contaminated soils. The soils should be cleaned up prior to the project and the applicant should be held liable. This should be expanded on in the EIR
- EIR needs to inventory all oil wells in area

Land Use

- Land use ordinance says previous violation should be addressed before new drilling occurs
- Does not agree with any deferral of clean up of previous mess (move phase III to beginning of process). Previous drillers left oil tanks on hillside and still haven't cleaned up.
- Potential mitigation: Create a 1500 foot buffer zone from homes to project site

Noise

- Noise impacts should be considered relative to the ambient level, as they are extremely low in this rural neighborhood.
- EIR consultant should use data from the Lord Study, which has low ambient noise levels.
- The valley creates an amphitheater-like effect and ricochets noise.
- Analysis is needed of atmospheric measurements in Huasna Valley, not from an existing metrological station many miles away.
- Potential mitigation: Create a 1500 foot buffer zone from homes to project site
- Potential Mitigation: Barn over top of rigs would mitigate noise and light pollution
- Temperature inversion at nighttime in the Huasna Valley attenuates sounds in the valley which needs to be analyzed
- Noise generated by the 4 million BTU boiler that will operate 24 hrs a day to heat water needs to be considered
- The EIR should conduct its own independent noise study

Public Services

- Trucked in propane and diesel uses lots of energy. The EIR should evaluate using non fossil fuels (e.g., adding solar panels to project).
- A PG&E representative was contacted on providing power to the site rather than use fossil fuels; Huasna Townsite Road lines have 3-phase power.

Recreation

- Concerns about recreational bicycle usage in the area.. Thousands of people bicycle in this area every year.
- Traffic from construction will be a threat to the safety of the people bicycling through the area.

Traffic

- It is unclear whether the Nesbitt Easement or proposed/existing access ranch roads are to be used, and a verbal agreement is not adequate. If Nesbitt is used, the project will need to construct a new road. All easements need to be examined in the EIR document.
- The project road to Highway 166 should be included in the EIR and should not be considered 'agriculturally exempt'.
- An economic analysis should be performed to evaluate temporary shut down when the ranch road is 'impassable'. The word 'impassable' needs a broader definition than what is proposed. The EIR needs to address the real ground conditions, as the soils are subject to liquefaction during the rainy season, and the road should be an all weather/season road.
- The EIR should also evaluate road-related accidents and spills.
- The bridge over Huasna River needs further EIR evaluation, as Caltrans has reported deteriorating conditions.
- Pipeline alternatives should be considered for oil transportation to minimize the impacts. If the pipeline uses the existing access road it will not be the shortest path.
- What will happen to traffic if ranch roads flood or become impassable? Alternate routes for oil, equipment, and employees should be considered. Huasna Road is a likely candidate, but has some problems. Large vehicle traffic cannot drive around curves on grades, or on bridges, without crossing the centerline. Some sections (e.g. Branch Mill) have above average collision rates. Vehicle weight restrictions should be looked at. Huasna Townsite Road needs widening and striping to handle proposed traffic. Huasna Road is also busy with bicycles and wildlife.
- The flood/high water line on Porter Barn should be looked at.
- New traffic generated will affect Highways 166 and 101 and need to be evaluated.
- Heavy equipment brought in by DOGGR contractor left heavy skid marks on Huasna road; Such large vehicle traffic is inappropriate for these types of narrow, windy roads on steeper slopes, especially when roads are flooded and impassable during rains
- How will access to Huasna be controlled for traffic
- Huasna Grade is hazardous and can be dangerous to drive on Huasna Road
- All routes to project site need to be looked at
- 70 truck-loads of gravel onto 7 miles of dirt roads needs to be properly evaluated by EIR, as well as insure adequate design for all weather industrial traffic use

Wastewater

- The oil facility plans show a temporary office with portable toilet. It should provide permanent facilities if it is going to operate in the valley for 20 years.

Water

- Re-injection could potentially result in contamination of groundwater. There are concerns from previous contaminations of groundwater. Oil could possibly seep into the groundwater supply. The water quality report only measured the gasoline component, and not the crude oil component of hydrocarbons.
- The Cannon water study is incomplete. The EIR consultant should perform water cut study, and the term 'water cut' needs to be clarified. Pg. 13 on application states "exact water cut for Huasna field is unknown" but estimates 83%, and then later estimates 75%. 1128 barrels of water disposal per day (for 12 wells) assumes a water cut of 67%, which is a low conservative estimate. The nearby Price Canyon oil operation uses 93% cut. It is suggested that 83%-94% water cut range be applied. This report needs to be fully peer reviewed to determine inadequacies and inconsistencies by independent engineer licensed in CA
- As oil production decreases, the water produced increases. Year six in the chart provided shows 1767 BPS for water production and this exceeds values.
- Having only one re-injection well is not sufficient enough. A Cal Poly professor was asked about Hot Water vs. Steam Injection technology and he was in favor of steam production. San Ardo currently uses steam. Excelaron claims that the oil is thin enough to not need steam, but steam will require more energy and will have a greater environmental impact. History shows that hot water will fail. With hot water, mineral and salt scale in tanks will need to be removed, and this needs to be addressed in the EIR. The analysis should evaluate the handling of dangerous and potentially radioactive materials when the scale is removed.
- What are the impacts of the water used on the groundwater basin and the watershed? Also, what will the impacts be on those who have/use personal groundwater wells? What effect will groundwater extraction have on the water basin? How is the groundwater sub-basin monitored for quality and quantity?
- There are natural connections between oil extraction layer and drinking water layer that need to be evaluated
- Hydrologic pressure via re-injection can cause pollution to the drinking water
- The EIR should evaluate the existing seeps, especially the seep at the shipping site and analyze the potential for contamination of the drinking water supply. There are documented surface tar seeps in the area showing connection with oil formation
- Monitoring of existing groundwater quality should be done now to establish baseline
- Where will water come from to drill initial four wells?
- According to the Land Use Ordinance, any groundwater pollution should be considered an unavoidable environmental impact
- Currently, there is good water quality in Huasna Valley which needs to be protected. Polluting groundwater may result in cancer, etc.
- Existing ground water quality baseline should be defined; it takes 10 years for pollution to show up, therefore wells should be monitored for 10 years after and applicant held responsible for the cleanup of any groundwater contamination from proposed project
- Re-injection back into the groundwater is extremely hard to do if the hydrocarbons are still present in processed water. Removal is very expensive

- The County should retain legal counsel that specializes in water law
- Baseline date of existing drinking water

Alternatives

- Why not put entire development at bottom location (Shipping Site)? It would be better insulated for noise, no eye sore, no need to transport hot water up hill.
- The requirement of electricity would eliminate the need for 10,000 gallons of on-site propane, which would reduce the fire risk.
- Pipeline alternatives should be considered for oil transportation to minimize the impacts. If the pipeline uses the existing access road it will not be the shortest path.

Other

- History shows that oil production has failed in the area. There is a 12% success rate of well drilling and oil found, and an assumption of 100% for an EIR is unreasonable.
- There are numerous oil well logs available from previous nearby drillings and the consultant should conduct a literature search as well. Well records show that oil is produced through the use of diluents and steam.
- Per Cannon report, oil production is expected to peak in Year Five, and Excelaron will need to continually add more wells as production declines to keep this production level.
- The best case scenario should not be used, but rather the worst case scenario.
- 4,500 linear feet of pipe (which sends oil to the shipping facility) was left out of the plan. The pipe should be kept as short as possible to be the most energy efficient (less heat loss). A new above-ground pipe would be an eyesore. The EIR needs to clarify location of pipeline and provide more details.
- Will there only be 12 well holes drilled or 12 producing wells with some extra 'dry' holes drilled? Greater impacts will result if more than 12 actual holes.
- Consider entire project, including haul route across private lands as well. Contains more than 2 acres and 7 miles of road
- The effects of mitigation should be studied.
- Programmatic EIR should be done for possible expansion.
- Violations from drilling in the 1980's have still not been addressed
- Facilities should be engineered for worst-case scenarios not best
- Excelarons plans to drill a single disposal well, and there is no geological basis for the ability of a single well to handle capacity of 12 producing oil wells
- The county has a history of allowing piece mealing in regards to disposal of processed water. On page 6-5 of the June 2005 EIR addendum for the PXP phase 4 development plan in Price Canyon it states, "PXP has adequate capacity to dispose of all wastewater through re-injection." This EIR was subsequently approved by the Board of Supervisors." Two years later, PXP no longer has capacity to dispose the wastewater
- Why is there is no energy extraction combining designation on the project site, despite previous extraction attempts?
- Independent studies should be completed for all necessary technical work; applicant funded studies (e.g., water, noise, air quality) may not provide an accurate or complete account of the issue analyzed. Concerned with honesty and accuracy of emission study

provided by applicant. One example - The emission analysis does not look at the burning of 13,000 cubic feet/day of unrefined produced gas;

- Are there other sites that the applicant owns and controls?
- The County has spent \$100,000 on review of this project and the Applicant has spent \$20,000. Taxpayers are paying for the project
- The facility should be fully reviewed for the capacity of 12 wells on the sites, not only four
- Accurate and complete project description is necessary for the EIR
- Projecting from Cannon study, applicant will have to abandon and redrill the wells every 5 years in order to maintain maximum productivity and be financially successful
 - i. Excelaron's current plan for oil production will decline in year seven of drilling; therefore not a sound business model
- The project should not operate more than 12 wells otherwise it will violate the conditional use permit
- Bonding of applicant should be required to insure adequate public protections and proper clean-up
- Who is responsible for accidents and cleanup?