



April 23, 2014

The Honorable Senator Fran Pavley
State Capitol, Room 4035
Sacramento, CA 95814

SUPPORT: SB 1281 (Pavley) Oil and gas production: Water use reporting

Dear Senator Pavley

On behalf of the undersigned organizations, we are writing to thank you for introducing SB 1281 (Pavley), and to show our support. This bill would require disclosure and reporting of water use by the oil industry. Oil production in California is water intensive industry, yet currently the state does not require disclosure of the volumes and sources of water used for most oil production related activities. SB4 (Pavley), which passed in 2013, compels reporting of water use for well stimulation treatments. While such disclosure is important, it only tells part of the story. The majority of existing oil operations rely on enhanced oil recovery (EOR) techniques such as water flooding, steam flooding or cyclic steaming. These processes are water intensive, yet the extent to which freshwater is used and which sensitive water resources may be impacted is unknown. As a result, the impacts of this water demand on basins and aquifers is unknown, not recorded, not tracked, and not included in local and regional water supply agencies' planning efforts.

With the majority of oil production occurring in areas of extreme drought and competing water interests, such as Kern County where compromised drinking water sources, already contaminated groundwater, and a large, water reliant agriculture industry are all present, understanding the oil industry's use of water should be a top priority. Additionally, during times of drought as is currently the case, limits on freshwater use should be implemented for the oil industry, just as cities, farmers and individuals must often cut back. Farming and residential/commercial water uses are widely and effectively tracked, but most oil and gas recovery related uses are not. This situation must change so local water agencies can plan for water supplies and water allocations knowing all the demands on the resources they manage.

Additionally, the bill would require disclosure and reporting on oil and gas wastewater disposal locations and methods. Oil and gas production produced 126 billion gallons of

wastewater in 2012. Oil and gas wastewater is often high in salinity, heavy metals and can contain naturally occurring radioactive materials (NORMs), as well as fluids, many of which are toxic, added during well stimulation, drilling or other points during the lifespan of a well. In order to protect water quality, and plan for the allocation of our water supply to various competing uses, our state regulators must be able to track the disposal of all oil and gas wastewater. Oil and gas wastewater has been linked numerous times to contamination of ground and surface water and many of these instances are attributable to poor planning and inadequate tracking or oversight.

More transparency will result in better oversight of this risky waste stream and better forward planning to mitigate the impacts on our water supply. The tracking proposed in this bill is an example of both good planning and sound assistance by the state to local water agencies in need of better inventories of their demands and supplies.

Sincerely,



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