

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION**

STAFF REPORT FOR REGULAR MEETING OF SEPTEMBER 2, 2010

Prepared on July 15, 2010

ITEM NUMBER: 13

SUBJECT: Renewal of the General Conditional Waiver of Waste Discharge Requirements for the Management of Petroleum-Impacted Soils at Authorized Waste Pile Management Facilities at Active Oil Leases and Fee Properties in the Central Coast Region, Order No. R3-2010-0036

KEY INFORMATION

Dischargers:	Various Oil Producers
Locations:	Active Oil Leases and Fee Properties in the Central Coast Region
Type of Wastes:	Petroleum-Impacted Soils and Sandblasting Aggregates
Disposal:	Land; Temporary Storage of Oil Field Waste Materials Until These Materials are Characterized for Disposal or Permitted for Reuse
Existing Order:	General Conditional Waiver of Waste Discharge Requirements for the Management of Petroleum-Impacted Soils at Authorized Waste Pile Management Facilities at Active Oil Leases and Fee Properties in the Central Coast Region (Order No. R3-2005-006)
This Action:	Renew General Conditional Waiver of Waste Discharge Requirements

SUMMARY

On September 9, 2005, the Central Coast Water Board adopted Order No. R3-2005-006, General Conditional Waiver of Waste Discharge Requirements for the Management of Petroleum-Impacted Soils at Authorized Waste Pile Management Facilities at active oil leases and fee properties in the Central Coast Region (General Waste Pile Order). By law, all waivers must be reviewed and renewed, revised, or replaced at least every five years. The Central Coast Water Board's General Waste Pile Order will expire on September 9, 2010. Staff recommends that the Central Coast Water Board reissue the existing General Waste Pile Order until September 2, 2015. This staff report briefly summarizes proposed Order No. R3-2010-0036 and oil producer compliance with the previous order.

PURPOSE OF THE ORDER

The existing General Waste Pile Order adopted in 2005 allows oil producers to manage wastes generated by oil mining, production, and delivery operations and to prevent waste discharges to underlying soil and groundwater and nearby surface water bodies at active oil fields throughout

the Central Coast Region. The General Waste Pile Order conditionally authorizes the operation and management of facilities that serve as staging areas where oil producers can screen and store petroleum-impacted soils and/or spent sandblasting aggregates until location-specific analytical laboratory results become available. The authorized waste pile management facility serves as a temporary storage facility while the operator can make decisions about the ultimate treatment, disposal, or reuse options for the waste soils. If the oil producers maintain and operate the waste pile management facilities using waste management control practices and control stormwater run on and eliminate run off, the temporarily stored oil field wastes will not pose a significant threat to water quality.

CHANGES IN THE PROPOSED ORDER

Staff is proposing to renew the existing General Waste Pile Order, with no substantive changes except for the expiration date, for five years.

DISCUSSION

From 1973 to present, the Central Coast Water Board has encouraged oil producers to manage wastes and to prevent waste discharges to underlying soil and groundwater and nearby surface water bodies. Since the General Waste Pile Order was adopted in 2005, eight waste pile management facility applications have been submitted for various oil fields. The Executive Officer or Assistant Executive Officer approved all eight applications. After application approval, Board staff notified the Central Coast Water Board. To date, four oil producers have constructed waste pile management facilities and have submitted their annual reports by the required due dates for each calendar year enrolled. As noted in the table below, the oil producers managed approximately 11,394 cubic yards (yd³) of soil and 438 yd³ drilling mud in the region. The oil operators either disposed of the oil field waste materials at an offsite disposal facility or reused the materials as noted in the table below:

Oil Producer	Oil Field Lease	County	Facility Constructed?	Quantity (yd ³)/ Type	Disposal or Reuse ¹
Aera Energy LLC (Aera)	San Ardo	Monterey	Yes	98 yd ³ soil	Reuse
Aera	Sisquoc	Santa Barbara	No	Not Applicable (n/a)	n/a
BreitBurn Energy Company (BreitBurn)	Orcutt	Santa Barbara	Yes	1,564 yd ³ soil 438 yd ³ drilling mud	Offsite Disposal of soil and mud
BreitBurn	Orcutt	Santa Barbara	Yes	6,630.5 yd ³ soil	Reuse

¹ Oil producers are required to submit a Report of Waste Discharge and receive Executive Officer approval to reuse oil field wastes in accordance with the General Conditional Waiver of Waste Discharge Requirements for the Reuse of Non-Hazardous Petroleum-Impacted Soils and Sandblasting Aggregate at Active Oil Fields in the Central Coast Region (Order No. R3-2005-005) prior to reusing the oil field wastes as parking lots, berms, or roads.

Oil Producer	Oil Field Lease	County	Facility Constructed?	Quantity (yd ³)/ Type	Disposal or Reuse ²
E&B Natural Resources Management Company (E&B)	Cuyama	Santa Barbara	Yes	1,455 yd ³ soil	Reuse
E&B	Russell Ranch/ New Cuyama	Santa Barbara	Yes	0 yd ³ soil	n/a ³
Greka Oil & Gas, Inc.	Cat Canyon	Santa Barbara	No	n/a	n/a
Plains Exploration & Production Company (PXP)	Lompoc	Santa Barbara	Yes	578 yd ³ soil	Offsite Disposal
Plains Exploration & Production Company (PXP)	Lompoc	Santa Barbara	Yes	6 yd ³ soil	Reuse
PXP	Arroyo Grande	San Luis Obispo	Yes	1,062.5 yd ³ soil	Reuse

In July 2010, Central Coast Water Board staff inspected two operating waste pile management facilities. After the July 2010 inspection at the PXP Arroyo Grande Oil Field facility in San Luis Obispo County, Central Coast Water Board staff issued a correction letter to the operator requiring an inadequately constructed berm to be repaired before mid-September, as October 1, 2010 is considered to be the beginning of the 2010/2011 rainy season. Staff's inspection of Aera's San Ardo Oil Field and BreitBurn's Orcut Oil Field facilities found the waste pile management units to be in good condition and in compliance with the General Waste Pile Order. Central Coast Water Board staff plans to inspect the other two operating facilities by the end of summer 2010.

Opportunity for Public Comments

On June 3, 2010, staff mailed a letter to notify permit enrollees and other interested parties of the pending renewal of the General Waste Pile Order in September. Central Coast Water Board staff also published media notices in early June 2010 in the *Santa Maria Times*, *Paso Robles Press* (aka Country News-Press), *San Luis Obispo County Tribune*, the *Monterey County Herald*, and the *Santa Barbara News Press*. In the letter and in the media notice, Central Coast

² Oil producers are required to submit a Report of Waste Discharge and receive Executive Officer approval to reuse oil field wastes in accordance with the General Conditional Waiver of Waste Discharge Requirements for the Reuse of Non-Hazardous Petroleum-Impacted Soils and Sandblasting Aggregate at Active Oil Fields in the Central Coast Region (Order No. R3-2005-005) prior to reusing the oil field wastes as parking lots, berms, or roads.

³ Waste pile management facility constructed in 2009; first annual report due October 2010..

Water Board staff solicited public comment within 30 days (July 12, 2010). Central Coast Water Board staff did not receive any comments regarding the General Waste Pile Order renewal.

RECOMMENDATION

Staff recommends adoption of Order No. R3-2010-0036 to reissue the existing General Waste Pile Order until September 2, 2015.

ATTACHMENTS

1. Draft General Conditional Waiver of Waste Discharge Requirements for the Management of Petroleum-Impacted Soils at Authorized Waste Pile Management Facilities on Active Oil Leases and Fee Properties in the Central Coast Region, Order No. R3-2010-0036 (including Attachment A, Waiver Conditions and Attachment 1, DTSC Memorandum)
2. Draft General Monitoring and Reporting Program No. R3-2010-0036 for the Management of Petroleum-Impacted Soils at Authorized Waste Pile Management Facilities on Active Oil Leases and Fee Properties in the Central Coast Region

The attachments are available at:

http://www.waterboards.ca.gov/centralcoast/Board_info/agendas/2010/2010_agendas.shtml

Then click on "view agenda" for September 2, 2010; then click on Item No. 13.

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