

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

STAFF REPORT FOR REGULAR MEETING OF SEPTEMBER 2, 2010

Prepared on July 23, 2010

ITEM NUMBER: 14

SUBJECT: Renewal of the General Conditional Waiver of Waste Discharge Requirements for the Reuse of Non-Hazardous Crude Oil Impacted Soil and Non-Hazardous Sandblasting Aggregate at Active Oil Leases and Fee Properties in the Central Coast Region, Order No. R3-2005-005

KEY INFORMATION

Dischargers:	Various Oil Producers
Locations:	Active Oil Leases and Fee Properties in the Central Coast Region
Type of Wastes:	Non-Hazardous Petroleum-Impacted Soils and Non-Hazardous Sandblasting Aggregates
Disposal:	Land; as berms, roads, and/or parking areas
Existing Order:	General Conditional Waiver of Waste Discharge Requirements for the Reuse of Non-Hazardous Crude Oil Impacted Soil and Non-Hazardous Sandblasting Aggregate at Active Oil Leases and Fee Properties in the Central Coast Region (Order No. R3-2005-005)
This Action:	Renew General Conditional Waiver of Waste Discharge Requirements

SUMMARY

On September 9, 2005, the Central Coast Water Board adopted Order No. R3-2005-005, General Conditional Waiver of Waste Discharge Requirements for the Reuse Non-Hazardous Crude Oil Impacted Soil and Non-Hazardous Sandblasting Aggregate at Active Oil Leases and Fee Properties in the Central Coast Region (General Reuse Order). By law, all waivers expire unless reviewed and renewed, revised, or replaced at least every five years. The Central Coast Water Board's General Reuse Order will expire on September 9, 2010. Staff recommends that the Central Coast Water Board reissue the existing General Reuse Order until September 2, 2015. This staff report briefly summarizes proposed Order No. R3-2010-0037 and oil producer compliance with the previous order.

PURPOSE OF THE ORDER

The existing Reuse Order adopted in 2005 allows oil producers to use limited types of non-hazardous oil field wastes from accidental spills, tank bottom sludges, produced sand, and sandblasting aggregate waste materials to construct roads, berms, and parking areas at active

oil fields in the region. When the oil field wastes are mixed and applied properly, these materials do not pose a significant threat to water quality if erosion control and stormwater management practices are followed.

CHANGES IN THE PROPOSED ORDER

Staff is proposing to renew the existing General Reuse 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 oil field wastes and prevent waste discharges to underlying soil and groundwater and nearby surface water bodies. Typically, an oil producer will have constructed a waste pile management facility.¹ Since the General Reuse Order was adopted in 2005, ten reuse project applications have been submitted for various oil fields. The Executive Officer or Assistant Executive Officer approved eight applications and denied two applications. To date, four oil producers have implemented reuse projects 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 reused approximately 9,246 cubic yards (yd³) of soil in the region, as noted in the table below:

Oil Producer	Oil Field Lease	County	Reuse Project?	Quantity (yd ³)/ Type
Aera Energy LLC (Aera)	San Ardo	Monterey	Yes	98 yd ³ soil
BreitBurn Energy Company (BreitBurn)	Orcutt	Santa Barbara	Yes	6,630.5 yd ³ soil
E&B Natural Resources Management Company (E&B)	Cuyama	Santa Barbara	Yes	1,455 yd ³ soil
Greka Oil & Gas, Inc. (Greka)	North Cat Canyon	Santa Barbara	No	n/a
Greka	South Cat Canyon	Santa Barbara	No	n/a
Greka	Union Sugar	Santa Barbara	No	n/a
Plains Exploration & Production Company (PXP)	Lompoc	Santa Barbara	No	n/a
PXP	Arroyo Grande	San Luis Obispo	Yes	1,062.5 yd ³ soil

In July 2010, Central Coast Water Board staff inspected three reuse projects. Staff's inspection of Aera's, PXP's, and BreitBurn's reuse projects found these projects to be in compliance with the General Reuse Order. Central Coast Water Board staff plans to inspect E&B's project by

¹ Oil producers are required to submit a report of waste discharge and receive Executive Officer approval to operate a waste pile management facility in accordance with the General Conditional Waiver of Waste Discharge Requirements for the Management of Petroleum-Impacted Soils at Authorized Waste Pile Management Facilities at Active Oil Fields in the Central Coast Region (Order No. R3-2005-006).

the end of summer 2010.

After reviewing the information submitted during the previous five years and inspecting projects in the field, staff has determined that the existing waiver conditions sufficiently protect water quality.

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

RECOMMENDATION

Staff recommends adoption of Order No. R3-2010-0037 to reissue the existing General Reuse Order until September 2, 2015.

ATTACHMENTS

1. General Conditional Waiver of Waste Discharge Requirements for the Reuse of Non-Hazardous Petroleum-Impacted Soils and Non-Hazardous Sandblasting Aggregate at Active Oil Leases and Fee Properties in the Central Coast Region, Order No. R3-2010-0037 (including Attachment A, Waiver Conditions, and Attachment B, General Monitoring and Reporting Program No. R3-2010-0037)

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 14.

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