

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

STAFF REPORT FOR REGULAR MEETING OF DECEMBER 5-6, 2013
Prepared on October 22, 2013

ITEM NUMBER: 10

SUBJECT: Revision of Waste Discharge Requirements, Reissuance of National Pollutant Discharge Elimination System Permit No. CA0050628 for Freeport-McMoRan Oil & Gas LLC, San Luis Obispo County, Order No. R3-2013-0029

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KEY INFORMATION

Location: 1821 Price Canyon Road, San Luis Obispo, San Luis Obispo County
Place ID: 653246
Type of Discharge: Treated Produced Water from Oil Production Facility
Permitted Flow: 0.84 million gallons per day (mgd; average dry weather flow)
Type of Treatment: Oil/Water separation, chemical treatment, reverse osmosis, ammonia removal, cooling, and aeration
Disposal Method: Pismo Creek via diffuser
Existing Orders: Waste Discharge Requirements Order No. R3-2008-0004
This Action: **Adopt Order No. R3-2013-0029**

DISCUSSION

Freeport-McMoRan Oil & Gas LLC (hereinafter Discharger) is currently discharging pursuant to Order No. R3-2008-0004, National Pollutant Discharge Elimination System (NPDES) Permit No. CA0050628. The Discharger submitted a Report of Waste Discharge (ROWD), dated October 29, 2012, and applied for an NPDES permit renewal to discharge up to 0.84 MGD of treated production water from its oil exploration and production activities within the Arroyo Grande Oil Field.

The Discharger owns and operates a crude oil recovery facility, and has recently completed construction of a new wastewater reclamation facility for the treatment of the produced water generated by the oil extraction process. Produced water is all water associated with oil and gas producing formations when the reservoir is produced and brought to the surface. The water may include flow from above or below the hydrocarbon zone or flow from an injection recovery facility. At the time the proposed order was drafted, the Discharger had not begun discharges to Pismo Creek under its existing permit. However, since the drafting of this revised permit, the facility has begun discharging treated water to Pismo Creek. There have been no violations or problems with the discharge since it began in late March 2013.

CHANGES FROM THE EXISTING ORDER

The proposed Order is structured in accordance with the statewide NPDES permit template. The proposed Order is consistent with the previous Order with the exception of the following changes/modifications, which are also discussed in detail in the proposed permit fact sheet:

Substantive changes

- Updated the Central Coast Standard Provisions in Attachment D-1 to be consistent with the January 2013 revision.
- Acute toxicity effluent limitation has been revised to be more protective of the Basin Plan's narrative water quality objective. Additionally, a chronic toxicity trigger and narrative effluent limitation has been added. These are discussed in the Fact Sheet (page F-26).
- Influent monitoring has been added for flow. This requirement will help assess recycled water streams and permit compliance.
- Added a special provision requiring the approval of California Department of Public Health (CDPH) prior to recycled water use (page 12). While the previous permit established recycled water specifications in anticipation of irrigation use, the Discharger has not yet obtained approval from CDPH for any recycled water projects. The Discharger is required to obtain CDPH approval consistent with Title 22 of the California Code of Regulations; and the special provision reiterates that requirement.

Minor changes

- Updated facility information as the Discharger's name has changed from Plains Exploration and Production to Freeport-McMoRan Oil & Gas LLC.

COMMENTS

Public notice was provided and posted for the consideration of this proposed permit. There were minor comments from the Discharger submitted during the comment period. Staff has responded to those comments and made minor edits to the draft order as a result of the Discharger's comments. A complete discussion can be found in the order in the Fact Sheet section VIII.B (pages F-33 and F-34).

Based on recent discussions with the Discharger, staff has also added a brief discussion of recycled water as it pertains to this order and facility (Fact Sheet Section II.E Planned Changes). Although 40 CFR 435 Effluent Guidelines and Standards for the Oil and Gas Extraction Point Source Category, Subpart C simply prohibit discharges from such facilities, the Water Board determined, in issuing the original permit, that the discharge meets applicable criteria to qualify for exception to the federal prohibition of discharge, based on its use in agricultural and wildlife propagation (i.e., increased flow in Pismo Creek). The facility is not currently using recycled water; however, the Discharger has indicated a desire to evaluate the possible use of recycled water for landscape irrigation.

RECOMMENDATION

Adopt Order R3-2013-0029, as proposed.

ATTACHMENT

For copies, please refer to the Central Coast Water Board's internet website at:

http://www.waterboards.ca.gov/centralcoast/board_info/agendas/2013/2013_agendas.shtml

1. Proposed Order No. R3-2013-0029, including the following attachments:
 - Attachment A – Definitions
 - Attachment B – Map
 - Attachment C – Flow Schematic
 - Attachment D – Standard Provisions
 - Attachment E – Monitoring and Reporting Program (MRP)
 - Attachment F – Fact Sheet

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