



Central Valley Regional Water Quality Control Board

2 May 2016

Clarence D. Marshall, C.E.O.
Little Creek Properties, Inc.
HCR 3 Box 14
Bakersfield, CA 93308

CERTIFIED MAIL
7015 1730 0000 9937 4060

CALIFORNIA WATER CODE DIRECTIVE PURSUANT TO SECTION 13267. You are legally obligated to respond to this Order. Please read this Order carefully.

Little Creek Properties, Inc. (Little Creek) has been identified as a provider of petroleum production wastewater for irrigation of crops intended for human or livestock-animal consumption. Little Creek uses production wastewater from the Black Satin Lease and the Salisbury Lease in the Mount Poso Oil Field for the irrigation of hay and or grasses used for the production of beef cattle. The Black Satin Lease and the Salisbury Lease are regulated under the Cleanup and Abatement Order R5-2016-0709.

This Order requires Little Creek to identify any chemicals or additives used in the production, treatment, and transportation of oil field produced waters that are used for irrigation. This Order also requires Little Creek to identify the volumes and frequency of use of the chemicals and additives to assist the Central Valley Water Board in setting appropriate monitoring requirements. This Order is not intended to require the collection of duplicative data. Little Creek can refer to previous submittals, if applicable, that contain the information required of this Order.

The Central Valley Water Board's authority to require technical reports derives from Section 13267 of the California Water Code, which specifies, in part, that:

- (a) A regional board . . . in connection with any action relating to any plan or requirement authorized by this division, may investigate the quality of any waters of the state within its region.*

- (b) (1) In conducting an investigation specified in subdivision (a), the regional board may require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region, or any citizen or domiciliary, or political agency or entity of this state who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge, waste outside of its region that could affect the quality of waters within its region shall furnish, under penalty of*

perjury, technical or monitoring program reports which the regional board requires. The burden, including costs, of these reports shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the reports. In requiring those reports, the regional board shall provide the person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports.

As part of its investigation into the irrigation of crops using oil field produced waters, the Central Valley Water Board is collecting this data for use by an expert panel that has been established to evaluate the human health and crop safety concerns associated with using oil field produced water for irrigation (Food Safety Expert Panel). Information about the Food Safety Expert Panel is available at:

http://www.waterboards.ca.gov/centralvalley/water_issues/oil_fields/food_safety/index.shtml

The technical information and reports required by this Order are necessary to assess the human health and food safety concerns associated with the use of oil field produced waters for irrigation. The need to understand potential water quality issues that may impact the beneficial use of oil field produced waters for irrigation justifies the need for the information and reports required by this Order. This information is solely within the possession of Little Creek, and requires an analysis of internal records and explanation of business practices that are not appropriately claimed as trade secrets pursuant to 2013 revisions of the Public Resources Code.

Based on the nature and possible consequences of the discharges of waste, the burden of providing the required information, including the reporting costs, bears a reasonable relationship to the need for the report, and the benefits to be obtained. Little Creek is required to submit this information and report because it is the operator of facilities that provides produced water for irrigation of crops.

Under the prescribed authority of California Water Code section 13267, the Central Valley Water Board directs Little Creek to:

By 17 June 2016, submit a technical report containing the following information:

1. The total volume of produced water provided for irrigation since 1 January of 2014; and
2. A list of all chemicals and additives used in petroleum production, treatment, and transportation processes that generate produced water that is used for irrigation of crops (i.e. all chemicals "used in the field"). This list shall include all chemicals and additives used in any stage of the production or transportation of produced fluids including, but not limited to, substances injected into production and enhanced oil recovery wells and distribution and collection lines, substances added or applied to produced fluids either prior to or after treatment, and substances applied to transportation infrastructure such as corrosion inhibitors. Additionally Little Creek shall provide:
 - a. A description of the purpose of each chemical or additive,
 - b. A description of how each chemical or additive is used,
 - c. The frequency of use,

- d. The total volumes of each chemical or additive used during each quarter from 1 January 2014 to the present day.

As clarification, any chemicals used in enhanced oil recovery wells (i.e., such as water flood or steam injection wells) that could be captured by oil recovery wells that supply produced water for irrigation must also be reported.

The technical report required by this Order must be submitted to the attention of:

Ronald Holcomb
Central Valley Water Board
1685 E Street
Fresno, CA 93706

Based on the information submitted in the technical report, additional information or action may be required.

With the report required by this Order, Little Creek shall provide under penalty of perjury under the laws of California a "Certification" statement to the Central Valley Water Board. The "Certification" shall include the following signed statement:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

The Central Valley Water Board reserves the right to issue a Notice of Violation or pursue enforcement for Little Creek's activities after reviewing the documentation provided in response to this Order.

The failure to furnish the required report, or the submission of a substantially incomplete report or false information, is a misdemeanor, and may result in additional enforcement actions being taken against Little Creek, including issuance of an Administrative Civil Liability Complaint pursuant to California Water Code section 13268. Liability may be imposed pursuant to California Water Code section 13268 in an amount not to exceed one thousand dollars (\$1,000) for each day in which the violation occurs.

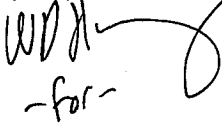
Any person aggrieved by this action of the Central Valley Water Board may petition the State Water Resources Control Board (State Water Board) to review the action in accordance with California Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., within 30 days after the date of this directive, except that if the thirtieth day following the date of this directive falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the Internet at: http://www.waterboards.ca.gov/public_notices/petitions/water_quality or will be provided upon request.

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Little Creek Properties, Inc.
Section 13267 Order for Irrigation

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If you have any questions regarding this matter, please contact Zachary Jarvie of this office at (559) 445-5455 or at zachary.jarvie@waterboards.ca.gov.



Handwritten signature of Clay L. Rodgers, consisting of stylized initials 'CLR' and a large loop, with the word 'for' written below it.

Clay L. Rodgers
Assistant Executive Officer

cc: Julie Macedo, Office of Enforcement, State Water Resources Control Board, Sacramento
Bennett W. Anderson, Daybreak Oil and Gas, Inc., Spokane