

CITY OF CULVER CITY

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January 14, 2014

Via E-Mail DOGGRRegulations@conservation.ca.gov

Department of Conservation Office of Governmental and Environmental Relations
Attn: Well Stimulation Regulations
801 K Street, MS 24-02
Sacramento, CA 95814-3530

Subject: Comments to the SB 4 Well Stimulation Treatment Regulations

Dear Sir or Madam:

On behalf of the City Council of Culver City (the "City"), I submit the following comments to the proposed "SB 4 Well Stimulation Treatment Regulations" circulated on or about November 15, 2013. These regulations are of particular concern to the City and its residents because the Inglewood Oil Field is within and adjacent to the City. While the City supports and encourages the Division of Oil, Gas and Geothermal Resources ("DOGGR") newly active role in regulating hydraulic fracturing, the City also believes it has a duty to protect local interests, including public health, safety and the environment, from the impacts of hydraulic fracturing and/or its associated activities. The City supports a ban on hydraulic fracturing until after (1) DOGGR completes the certification of its EIR and the environmental, public health and safety impacts from well stimulation are fully analyzed; (2) these regulations are revised, finalized and become effective; and (3) DOGGR has all the necessary means to enforce the regulations.

Our comments are as follows:

I. Comments to Specific Regulatory Provisions

Section 1761 – Well Stimulation and Underground Injection Projects

The exclusion from the definition of well stimulation treatment of treatments that do "not penetrate into the formation more than 36 inches from the wellbore" is arbitrary and without justification. Any pressurized injection of hydraulic fracturing fluid should be covered by the regulations regardless of how far the injections of such fluids penetrate. It would seem the risks are largely the same regardless of the extent of penetration. For example, a hydraulic fracturing operation designed to penetrate less than 36 inches may experience problems that create risks to the environment. In addition, it would

appear that DOGGR would have great difficulty in determining the extent of any actual penetration for purposes of enforcement.

Section 1780 – Purpose, Scope and Applicability

Subsection (a): The limitation of the applicability of the regulations to acid matrix stimulation treatments that use an acid concentration greater than 7% is also arbitrary. We are not aware of any basis for such a limitation to the applicability of the regulations.

Section 1782 – General Well Stimulation Treatment Requirements

Subsection (b): The requirement that the operator shall “follow the intent of all applicable well construction requirements” should be revised to require the operator “to follow all applicable well construction requirements.” Whether an operator is following the “intent” is very subjective and does not ensure compliance with the requirements.

Section 1783 – Application for Permit to Perform Well Stimulation Treatment

Subsection (c): The local jurisdiction should also be notified concurrent with the Division prior to the commencement of any well stimulation within its jurisdiction or if the wellhead is located within 1500 feet of the local jurisdiction.

Section 1783.1 – Contents of Application for Permit to Perform Well Stimulation Treatment

The local jurisdiction should be notified in a timely manner of any applications pursuant to this section and their comments invited.

Subsection (26): Any hazardous substances used in well stimulation fluids should be disclosed regardless of any claim of trade secret.

Section 1783.2 – Copy of Well Stimulation Permit; Notice of Availability for Water Testing, Sampling

Subsection (a): The local jurisdiction should be notified in a timely manner.

Section 1784 – Evaluation Prior to Well Stimulation Treatment

Subsection (a)(1): DOGGR should not be provided with the authority to waive the requirement for performing a cement evaluation. The cement evaluation should be performed with respect to all wells where hydraulic fracturing may occur.

Subsection (a)(2)(ii): The review of all faults (active or inactive) should be more carefully spelled out. The faults to be reviewed should include any faults that are known, mapped or with reasonable diligence can be identified. Operators that have conducted any subsurface seismic testing should be required to provide any data suggesting or demonstrating such faults.

Subsection (a)(3): Reference to subsection (a)(4) should be changed to (a)(2).

Section 1785 – Monitoring During Well Stimulation Treatment Operations

The operator should log and provide to DOGGR all data collected pursuant to this section regardless of whether any of the events in subsection (b) occur. Relying entirely on the operator to self-report the problems described in subsection (b) provides too much room for potential underreporting and does not give DOGGR the opportunity to enforce such underreporting.

Section 1786 – Storage and Handling of Well Stimulation Treatment Fluids

Subsection (a)(1): The term “temporary production facilities” should be defined.

Subsection (a)(5): DOGGR and local jurisdictions should be notified within twenty-four (24) hours of any unauthorized release of fluids containing hazardous substances, if not earlier notified pursuant to this subsection.

Subsection (a)(7): In addition to applicable requirements of the Regional Water Board, Department of Toxic Substances Control and Air Quality Management District, the operators should also be in compliance with applicable city or county requirements as well.

Section 1787 – Well Monitoring After Well Stimulation Treatment

Subsection (b)(5): DOGGR should not be provided with the authority to waive the requirement for a pressure relief device. Such device should be included in all wells.

Section 1788 – Required Public Disclosure

The public disclosure should be made within 30 days of cessation. In addition to the matters included in the section, the following should also be subject to public disclosure: the unauthorized release of any well stimulation treatment fluids, the matters set forth in section 1785 (b) - (e) indicating breach or other significant problems, or indication of problems arising from the well stimulation treatment.

Any hazardous substances used in well stimulation fluids should be disclosed to the public regardless of any claim of trade secret.

II. Seismic Issues

The regulations fail to address the potential that hydraulic fracturing may trigger seismic events. In addition to the continuous monitoring requirements of Section 1785, the operator should continuously monitor for any seismic activity and if any seismic activity exceeds a magnitude of 2.0 (or other safe threshold to be established by DOGGR), then the well stimulation should be immediately terminated and DOGGR and the applicable city and county jurisdictions notified immediately.

Simply reporting any significant seismic activity within 60 days after the fact, as presently contemplated in Section 1789, is not enough. All relevant seismic activity should be included in the public disclosure requirements of Section 1788.

As part of its permit application, the operator should be required to conduct an evaluation of the potential for well stimulation treatments to trigger seismic activity that may be a danger to persons or property. Such an evaluation should include not only the potential impacts from a single hydraulic fracturing event, but also should assess the impacts of cumulative activity. It is our understanding that multiple small earthquakes can ultimately trigger a larger seismic event. The operators need to evaluate the risk of minor and major seismic events so that DOGGR can determine whether approval should be granted. The evaluation should be conducted by an independent geologist qualified in the field. The operator should be required to provide the geologist with all relevant information available to it including all data collected during any seismic survey, testing or analysis of the oil field regardless of any claim of trade secret.

Although the proposed regulations do not cover "underground injection projects" or "subsurface injection or disposal projects", the City believes it is extremely important and relevant to also evaluate and regulate the seismic impacts of such operations.

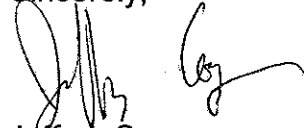
III. Conclusion

The City appreciates the efforts DOGGR has taken to regulate well stimulation. However, the City finds that more needs to be done to protect the public's health and safety and the environment. We urge DOGGR to consider these comments and revise the proposed regulations accordingly. The City has not had the opportunity to obtain a full technical evaluation of the regulations and reserves the right to comment further as additional information becomes available. The City supports the serious consideration

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of additional measures proposed by other commentators and/or DOGGR that are reasonably likely to make well stimulation activities more protective of public health and safety and the environment.

Sincerely,



Jeffrey Cooper
Mayor

Attachment: Resolution No. 2012-R057

cc: The Honorable Members of the City Council
John M. Nachbar, City Manager