

Agenda Date: January 15, 2015
Agenda Placement: Regular
Estimated Time: 10 min.
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Dave Van Mullem, Air Pollution Control Officer

CONTACT: Michael Goldman, Engineering Division Manager (961-8821)

SUBJECT: Memorandum of Agreement (MOA) with the Department Of Conservation, Division of Oil, Gas, and Geothermal Resources and the California Air Resources Board Regarding Well Stimulation Activities

RECOMMENDATION:

Adopt a Resolution which will result in the following actions:

1. Authorize the Air Pollution Control Officer to execute the attached Memorandum of Agreement (MOA) with the Department of Conservation, Division of Oil, Gas, and Geothermal Resources and the California Air Resources Board; and
2. Delegate authority to the Air Pollution Control Officer to make future administrative changes to the MOA.

DISCUSSION:

On September 20, 2013, the Governor signed Senate Bill 4 (Pavley), Oil and Gas Well Stimulation (*Chapter 313, Statutes of 2013*). A copy of SB 4 is attached. Among other requirements, SB 4 directed the State Division of Oil, Gas, and Geothermal Resources (DOGGR) to enter into formal agreements with the California Air Resources Board (CARB) and local air districts where well stimulation activities may occur. As defined under SB 4, well stimulation treatments include hydraulic fracturing, acid fracturing and acid matrix stimulation. SB 4 does not include cyclic steam injection, steam flooding, water flooding or routine well cleanout work or maintenance. According to the DOGGR webpage, there have been no SB 4 related well stimulation activities in Santa Barbara County since the State's Interim Well Stimulation Treatment Regulation went into effect on January 1, 2014. These formal agreements must

delineate the agencies' respective authority, responsibilities, and notification and reporting requirements associated with well stimulation treatments. In addition, the formal agreements must specify the public entity responsible for air quality monitoring, include trade secret handling protocols, and provide for ready public access to information regarding well stimulation activities.

Over the past several months representatives of DOGGR, CARB, and the California Air Pollution Control Officer's Association (CAPCOA) have developed a proposed Memorandum of Agreement (MOA) to meet the requirements of SB 4. Other local CAPCOA air districts involved were South Coast Air Quality Management District, San Joaquin Valley Air Pollution Control District, and Ventura County Air Pollution Control District.

The main responsibilities for air districts pursuant to the MOA are:

- CARB and the air districts shall assist DOGGR in identifying the types of information in a final Well Stimulation Treatment permit (issued by DOGGR) that are relevant for purposes of regulating air quality. The MOA allows up to 45 days for air districts to review DOGGR Well Stimulation Permit applications. District staff does not anticipate needing 45 days to review these applications, and will strive to complete our review in a timely manner.
- DOGGR, on one hand, and CARB and air districts, on the other hand, shall engage in efforts to cross-train each other's staff to enhance field investigations designed to ensure compliance with Well Stimulation Treatment permits.
- CARB or the appropriate air district shall, as soon as is practicable, notify DOGGR of any potential or actual violations of DOGGR regulations or the Well Stimulation Treatment permit requirements identified during their inspection activities.
- If an air district issues a Notice of Violation relating to a well stimulation activity that involves stationary sources, the air district shall promptly provide a copy to DOGGR.

As the attached MOA satisfies the requirements of SB 4, staff recommends your Board approve the MOA and authorize me to execute the document.

County Counsel has reviewed the Memorandum of Agreement.

ATTACHMENTS:

- Resolution
- Memorandum of Agreement between DOGGR, CARB, and the Santa Barbara County Air Pollution Control District
- Senate Bill No. 4, Pavely. Oil and gas: well stimulation