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BOARD OF SUPERVISORS COUNTY OF VENTURA GOVERNMENT CENTER, HALL OF ADMINISTRATION 800 SOUTH VICTORIA AVENUE, VENTURA, CALIFORNIA 93009

STEVE BENNETT

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April 9, 2019

Board of Supervisors 800 S. Victoria Ave. Ventura, CA 93009

SUBJECT: Recommendation of Supervisor Bennett To Direct the Planning Division To Promptly Return to the Board with a Proposed Interim Ordinance Pursuant To Government Code Section 65858 To Temporarily Prohibit The County's Approval Of New Oil And Gas Wells, And Re-Drilling Of Existing Oil And Gas Wells, For Oil Production That Will Utilize Steam Injection In The Vicinity of Potable Groundwater Aquifers While the County Studies Potential Regulations For This Land Use; All Supervisorial Districts

RECOMMENDED ACTIONS:

- In light of newly identified potential safety risks, direct the Planning Division to promptly return to the Board with a proposed interim ordinance pursuant to Government Code section 65858 to temporarily prohibit the County's approval of new oil and gas wells, and re-drilling of existing oil and gas wells, for oil production that will utilize steam injection in the vicinity of potable groundwater aquifers while the County studies potential regulations for this land use.
- 2. Direct the Planning Division to also study potential amendments to the County's zoning ordinances to require discretionary approval of new development under antiquated oil and gas permits.

DISCUSSION:

The Fox Canyon aquifer system provides drinking water for hundreds of thousands of Ventura County residents and irrigation water for thousands of acres of prime farmland. In some locations of the Oxnard Plain, oil production, steam injection, and wastewater disposal wells pass through the drinking water aquifers of the Fox Canyon aquifer system.



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Steam injection is an oil extraction method used in tar sands and other heavy oil deposits. Steam is injected through wells into the oil-bearing formations to thin and mobilize the oil and facilitate its extraction. Heat, and particularly pressurized steam, are widely known to create risk factors for corrosion and deterioration of pipes, concrete, and even rock itself. Heat was identified as a contributing factor in the catastrophic and unanticipated failure of the Plains All American pipeline in Santa Barbara County, and corrosion of other Plains pipelines. In a Kern County oilfield, a petroleum engineer died after breaking through the land surface and falling into a superheated void that developed in a steam injection oilfield.

The United State Geological Survey (USGS) recently studied aquifer water quality east of Oxnard in an area of steam injection oil production. The USGS found indications that petroleum-related gases are migrating into the drinking water aquifers of the Fox Canyon aquifer system in the vicinity of steam injection and wastewater disposal wells (<u>https://www.youtube.com/watch?v=Hi5Mb_6CFWl&feature=youtu.be&t=5019</u>).

There is a pending proposal by the Peak Oil corporation to drill approximately 79 new oil wells that would operate with steam injection into tar sands beneath the Fox Canyon aquifer. Peak Oil has requested that these oil wells be approved pursuant to antiquated oil and gas permits, which are discussed below. Under the County's existing zoning ordinance, Peak Oil's requested new oil wells and related development only require ministerial County land use approval, which greatly limits the County's ability to exercise oversight and assure protection of public health, safety, and welfare.

Given the added risk posed by steam injection, the findings of the recent USGS study, the large number of new steam injection wells pending under the Peak Oil proposal, the existence of antiquated oil and gas permits that greatly limit oversight, and the critical nature of the water supply of the Fox Canyon and other aquifer systems in the County that may be affected by steam injection, it is fitting and appropriate that our Board enact an interim ordinance to halt the approval of new steam injection oil wells and re-drilling of existing wells in the vicinity of potable groundwater aquifers while we study the need for and possible approaches to regulating this land use.

Under Government Code section 65858, a county may adopt an interim ordinance to temporarily prohibit certain land uses that may conflict with contemplated land use regulatory changes. The purpose of an urgency ordinance is to give the jurisdiction time to study the potential impacts of activities and figure out whether and how these activities should be regulated differently. An interim ordinance must be approved by a four-fifths vote of the Board. An interim ordinance remains in effect for an initial 45-day period and is subject to extension for a total period of up to two years.

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The Peak Oil proposal also highlights the need to study the County's regulation and permitting of new oil and gas development under antiquated oil and gas permits. From the 1940's through the 1970's, the County approved numerous "antiquated" special use permits authorizing the exploration for and production of oil and gas. These antiquated permits describe in very broad and general terms the oil and gas-related activities and structures that are authorized within the permit areas. They don't state the maximum number or exact location of wells or other structures. They also lack expiration dates, dates by which the permitted wells and other structures must be constructed, and conditions imposing development standards that are consistent with the County's current oil development guidelines and standards. Because these permits were approved before adoption of the California Environmental Quality Act (CEQA), the permitted activities and their environmental impacts have never been analyzed under CEQA.

Under the County's existing zoning ordinances, the County authorizes new oil and gas wells and related development proposed under the antiquated permits through a ministerial permitting process. This process does not involve CEQA review; does not provide for public notification, comment, or hearing; and does not allow for the County's discretionary approval or imposition of permit conditions, zoning standards, or mitigation measures to address potential health, safety, and environmental impacts.

To address this permitting issue which greatly limits the County's ability to exercise uniform oversight over new oil and gas development, the Planning Division should also study potential amendments to the County's zoning ordinances to require discretionary approval of new development under antiquated oil and gas permits.

Please join me in proactively seeking to protect Ventura County's limited and vital water and other natural resources. This letter has been reviewed by County Counsel.

Cordially,

Ston Bennot

Steve Bennett Supervisor, First District