



February 11, 2019

Chair Parke and Commissioners  
Santa Barbara County Planning Commission  
Via email at [dvillalo@countyofsb.org](mailto:dvillalo@countyofsb.org)

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**RE: ERG FEIR; Deny**

Dear Chair Parke and Commissioners:

Santa Barbara County Action Network (SBCAN), a nonprofit countywide membership organization, has previously commented on ERG's proposal, at the scoping meeting, at the June 25, 2018 workshop on the adequacy of the Draft Environmental Impact Report (DEIR), and in a letter dated August 2, 2018 to Nancy Minick.

Your Commission needs a comprehensive, full-disclosure document to allow you to decide whether to approve or deny the project. The DEIR fell short for reasons delineated in our August 2, 2018 letter and for other reasons explained in the Environmental Defense Center's letter and testimony on behalf of the Sierra Club. The Final EIR, while addressing some of SBCAN's comments, continues to fall short for the at least the following reasons and must not be certified.

**1. Impact SGW-5 says the proposed project's cyclic steam injected under pressure to enhance oil recovery in oil-bearing formations or injection of produced water/brine could adversely affect groundwater quality. The FEIR is deficient** because it incorrectly finds that Mitigation Measures SGW-3a through SGW-5 would reduce the groundwater quality impacts of construction and operations to less than significant. In fact, **this should be identified as a Class 1 significant and unavoidable impact** for these reasons:

a. Mitigation Measure SGW-3a calls for pressure testing of well casings before injections begin. **The FEIR is deficient** because this mitigation measure doesn't give any data about the well-casing failure rate among well casings that have been pressure tested. The FEIR needs to have citations and real data on these failure risks so the public and the decision makers can make sound choices. Elsewhere in the FEIR, it is noted that ERG's existing wells have had a 2.2% average annual failure rate. **Over the 30-plus-year life of the project, this implies that any given well has a 66% chance of a failure—more than three times the failure rate suggested in our letter on the DEIR.** Given that 200,000 people and 50,000 acres of farmland rely on the Santa Maria Valley Groundwater Basin, this failure rate represents an unacceptable risk and **SGW-5 must be listed as a Class 1 impact and should be grounds for denial of the project.**

b. Mitigation Measure SGW-3b calls for monitoring of wells for pressure changes during steam injection pursuant to California's Department of Oil, Gas and Geothermal Resources (DOGGR) requirements. *SBCAN* understands this to be routine, yet failures occur as noted in the FEIR. Not all failures necessarily occur in aquifers and many wells may not even penetrate an aquifer, but ERG's wells all do penetrate our aquifers and hundreds more wells will do so if the proposed project is approved. **The FEIR is deficient because it doesn't address the failure rate among well casings that are monitored during injection.**

c. Mitigation Measure SGW-5 references the long history of drilling in Cat Canyon and the potential for inadequately abandoned wells to provide a conduit for steam injection fluids or production fluids. It requires the owner to conduct a records search and surface surveys or other methods to locate abandoned wells and verify the integrity of seals. If necessary, additional well abandonment is required, to install cement seals in compliance with DOGGR regulations. **The FEIR is deficient because it should require the old seals to be checked and fixed as needed as a pre-requisite to consideration of the project. Otherwise, it appears the only way to get bad seals fixed—at least in Cat Canyon—is to approve more wells. Operators should be required to test and repair existing equipment and abandoned wells before any consideration is given to expansion.**

**2. The FEIR is deficient because it doesn't include sufficient information about significant discharges of petroleum products or wastewater into our aquifers.** There have been many such discharges and the Central Coast Regional Water Quality Control Board (CCRWQCB) knows about them and has a comprehensive database.

One big discharge was disclosed on CCRWQCB's website. In the spring of 2016, CCRWQCB posted a letter to Greka demanding a response by June 2016 regarding a significant discharge of wastewater into the Santa Maria Valley Groundwater Basin from Greka's Lloyd lease. For three years now *SBCAN* has been unable to get further information because "it is an ongoing case." A closed session item for "US EPA vs. (company formerly known as Greka)" has been on the Water Board's agenda several times over the last two years. **The FEIR is deficient because it contains no information on this or other similar cases.** The response to EDC Comment #102, which is given in the FEIR as the response to *SBCAN*'s Comment #4, uses data from 2005 to 2013, "the most recent compliance cycle." **The FEIR is deficient because it relies on data that is now six years old, far predating the discharge of wastewater into the Santa Maria Valley Groundwater Basin cited above.**

*SBCAN* draws the Commission's attention to the recent oil briefing presented to the Board of Supervisors. In that briefing, one bullet point on the slide and one sentence of the staff's presentation noted that **the investigation into a three-year-old Greka wastewater discharge into the groundwater was still being investigated to determine the extent of the impact.**

*SBCAN* understands that ERG is not Greka or any other company, but discharges of petroleum and produced water into our groundwater basins have happened and will happen again. **A certifiable FEIR must contain full disclosure of the probabilities and potential impacts of such discharges, including the local history of such discharges.**

**3. The FEIR is deficient as it does not adequately address the impact of increasing climate disasters on this project.** In our August 2, 2018 letter, we stated that climate change will increase the severity of storms, fires and heat waves in our region, and over the lifespan of this project these could be devastating. For example, how would the project contribute to and respond to a wildfire in Cat Canyon? We posed this question in our August 2, 2018 letter. The response published in the FEIR was to refer to the responses to Environmental Defense Center’s Comments #67 through #72. **None of those responses address our question of how the project would contribute to and respond to a wildfire in Cat Canyon. The question remains and the FEIR must be determined to be inadequate for not addressing it.**

The FEIR in its response to Environmental Defense Center’s Comment #137 acknowledges the impacts the project would have in committing future generations to similar uses of these fossil fuel resources. The response to that comment—and, by extension, to *SBCAN*’s Comment #6—makes it clear that the role of the EIR is to provide the information to allow the decision makers to determine whether the irretrievable commitments of resources are justified, based on the administrative record. ***SBCAN* urges your Commission to determine that approval of infrastructure that would commit Cat Canyon to three or more decades of additional fossil fuel extraction is not justified.**

It is unjustified not only because of the Class I impacts noted above and in the FEIR, but also because it would lock in intensive carbon production and associated GHG emissions for 30 years or longer, increasing oil production over the exact period of time during which we need to be reducing use of fossil fuels to meet the Paris Climate Agreement, which the county has pledged to support.

**4. The FEIR is inadequate because it contains no information about ERG’s reserves or insurance.** In our letter dated September 23, 2015 regarding the NOP, we asked that the EIR establish that ERG has enough reserves to cover the massive cost of a major groundwater basin clean up, associated losses and health-related claims, should there be a worst-case accident. There is reason to believe that ERG has limited or no reserves, as it has declared bankruptcy. If—in spite of the pressure tests and pressure monitoring during injections—a blowout occurs in one of our aquifers, who will pick up the tab? **The FEIR is inadequate as it does not address this question.** *SBCAN* acknowledges the response to our comment. As a CEQA document, the issue of bankruptcy may be moot, but beyond certification of the FEIR, the County should consider the potential liability its taxpayers may be saddled with should small spills or major disasters happen and the operator leaves the problem to be dealt with by the County.

*SBCAN* appreciates that the FEIR responds to our comment requesting a map showing the proposed project in relation to the groundwater basins. Clearly, the entire ERG project area overlies the Santa Maria Valley Groundwater Basin and—to a lesser extent—the San Antonio Creek Valley Groundwater Basin.

*SBCAN* is dismayed to see the staff recommendation for approval. Your Commission denied Pacific Coast Energy Company’s project and the denial was upheld by the Board of Supervisors. ERG’s project has similar impacts. Accordingly, and in light of all the deficiencies noted above regarding the FEIR, ***SBCAN* urges your Commission to direct staff to prepare findings for denial of the ERG project.**

Finally, the Statement of Overriding Considerations is based entirely on potential economic benefits reported by the project proponent. The Statement includes no estimates of potential economic harm that the project might create stemming from all the negative impacts cited in the FEIR.

Thank you for the opportunity to comment on the FEIR.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Hough". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Ken Hough  
Executive Director

Cc: *SBCAN* Board of Directors