

Court orders further environmental review before oil exploration can proceed near Pinnacles

Sara Rubin, Monterey County Weekly, 7-25-14

The wells will huff and puff, then sputter to a stop, at least for now.

Monterey County Superior Court Judge Tom Wills delivered a firm blow to exploratory oil wells using steam injection, known in oil industry parlance as "huff and puff," for failure to conduct a comprehensive environmental analysis.

In the July 17 decision, Wills knocked the operator, Citadel Exploration Inc., and San Benito County for failing to complete an environmental impact report (EIR) on an exploratory field of up to 15 wells in the Bitterwater region of San Benito County, just over the county line near Pinnacles National Park.

"This is not a closed system and there are numerous opportunities for toxic spills to occur that the county has not yet contemplated," Wills wrote.

Nonprofit Center for Biological Diversity sued last year, arguing that a thorough EIR was needed for the test wells.

The decision was a departure from a January ruling by Judge Lydia Villarreal, who allowed Citadel to proceed with early testing.

"One well has been drilled," she said. "It doesn't quite seem to rise to the level of public interest to stop the work on that one well."

The issue is whether an operator is required to analyze just the test, or the outcome of a test that leads to future development. Wills determined that the test wells need to be considered as part of a larger project.

"There is evidence in the record that Citadel planned to drill 'hundreds' of wells at the site if the pilot project demonstrated commercial viability," Wills wrote.

Oddly, it was the fact that steam injection is old technology—not new, and unproven—that sealed the deal for the plaintiffs. Wills determined that there should be enough existing data on huff-and-puff for Citadel to come up with a meaningful forecast of the future buildout, if the tests are successful.

Last year, Citadel CEO Armen Nahabedian dismissed environmental concerns in an interview with the *Weekly*: "I think it's ridiculous nonsense," he said.

Wills' ruling echoes a 2013 ruling by a federal judge, which required the U.S. Bureau of Land Management to consider the environmental future of an oilfield, in case exploration should yield positive results and lead to a buildout. (The subject in that case, however, was fracking, and U.S. Magistrate Judge Paul Grewal took issue with the lack of available information on the technique.)

Center for Biological Diversity was also a plaintiff in that case, which centered around BLM leasing out federal oil and gas reserves on 2,600 acres in Monterey and Fresno counties.