

Planning Commission approves new wells at Price Canyon oil field

David Sneed, San Luis Obispo Tribune, 11-14-15

After three lengthy hearings, operators of the Price Canyon oil field have been given another three years to drill 31 more wells.

On Thursday, a unanimous San Luis Obispo County Planning Commission gave its approval after California water officials assured them that the additional wells do not threaten nearby domestic drinking water wells.

Currently, 238 wells produce 1,000 barrels of oil a day at the oil field, also called the Arroyo Grande oil field, which is located halfway between San Luis Obispo and Pismo Beach on Price Canyon Road.

John Robertson, a hydrogeologist with the Central Coast Regional Water Quality Control Board, said the geology of the aquifer in the oil field makes it unlikely that oil from the field would escape the aquifer and contaminate nearby wells, or that large amounts of freshwater would be drawn into the aquifer and be contaminated.

The oil field aquifer is isolated from nearby aquifers by a variety of geologic barriers, including an earthquake fault and a nearly impermeable bowl-shaped natural barrier underlying the aquifer, Robertson said.

That was enough to satisfy Commissioner Eric Meyer, whose district includes the oil field. Meyer was most concerned with the water issue and said he was initially planning to vote against the application but changed his mind.

“From what I have been hearing, this project will not suck water out of the Edna Valley,” Meyer said.

The Planning Commission’s decision can be appealed to the county Board of Supervisors. Neighbors and environmental groups opposed to the expansion said they have not decided if they will file an appeal.

The commission added two additional requirements that the owner of the oil field, Freeport-McMoRan Oil and Gas, must comply with. They required that the company monitor all drinking water wells within a half mile of the field if asked by the property owner.

They also required that the oil company install a series of sentry wells that will be able to detect if oil is escaping the field and endangering nearby wells. The oil company agreed with both of those requirements.

Freeport-McMoRan asked for a three-year extension of a permit issued by the county in 2005. The company could not drill the last 31 wells in the original 10-year permit because of delays caused by a request to more than triple the area within the oil field into which steam and wastewater can be injected back into the ground.

State and federal water officials are reviewing the request to determine whether it is environmentally safe. The federal Environmental Protection Agency has until February 2017 to make that determination.

Steam is injected into the ground to reduce the viscosity of the oil and make it easier to pump out of the ground. Wastewater is pumped back into the ground because at least eight times more oil-tainted water is pumped out of the field than oil.

Neighbors of the oil field and environmentalists repeatedly raised concerns about damage to nearby drinking water supplies that the proposed expansion might cause. They want the county to deny the request, or at

minimum require the oil company to apply for a new permit that would require the preparation of a new environmental impact report.

“The day will come when water is more valuable than oil,” said Michael Hannon of Arroyo Grande. “This oil company does not care about our water.”

The oil company has also applied for another significant expansion of the oil field. It proposes drilling another 450 wells and is preparing an EIR to cover that expansion.