



# California Regional Water Quality Control Board

## Central Coast Region

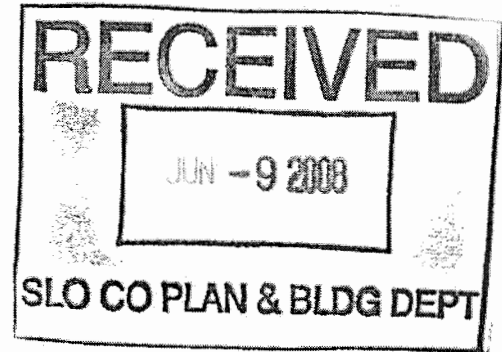
Linda Adams  
Secretary for  
Environmental  
Protection

Arnold Schwarzenegger  
Governor

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June 6, 2008

Mr. John McKenzie, Senior Planner  
San Luis Obispo County Planning & Building  
976 Osos Street, Room 300  
San Luis Obispo, CA 93401



Mr. McKenzie:

### EXCELARON HUASNA OIL PROJECT, SAN LUIS OBISPO COUNTY

We have reviewed the Huasna Oil Exploration project description, dated June 5, 2007, and offer the following comments regarding water quality issues. Also, we apologize for the delay in reviewing this material and any inconvenience that may have caused to your environmental review and permitting process. We understand that the project proposes development, testing and operation of four oil wells in the Huasna Valley, with oil recovery enhanced by reinjection of heated water. The project is proposed to be located on assessor's parcel number 085-271-004, a 160-acre parcel approximately twelve miles east-southeast of Arroyo Grande. Access to and through the site will be on existing roads, and grading will be limited to improvement and maintenance of existing roads and pads. The following issues should be addressed in the County's environmental review and permitting process.

1. The proposed project will disturb in excess of one acre, accordingly the applicant must enroll under the Statewide Storm Water Permit for Construction Activities. Application and information regarding the Storm Water Permit for Construction Activities is available at: [http://www.waterboards.ca.gov/water\\_issues/programs/stormwater/construction.shtml](http://www.waterboards.ca.gov/water_issues/programs/stormwater/construction.shtml)
2. Ongoing operation of the facility (after completion of construction activities) should be in a manner consistent with the County's storm water management plan. Accordingly, erosion control measures, other best management practices, and compliance monitoring should be clearly stated in conditions of approval.
3. The project description does not include any stream crossings or dredge and fill activities in wetland areas that may be subject to U.S. Army Corps of Engineers permitting. However, if the project includes such activities, then Clean Water Act Section 401 Water Quality Certification issued by this Water Board is required. The County's conditions of approval should include such notification.
4. Based upon the project description, produced water will be heated and used to facilitate extraction by re-injecting such water into the well casing. Such re-injection practices are not regulated by the Water Board, and are alternately regulated by the California Department of Conservation, Division of Oil, Gas and Geothermal Resources. However, in order to protect water quality, the project should be conditioned to preclude discharge of any wastewater to surface or useable groundwater. Discharge of wastewater where it may impact surface or groundwater is regulated by the Water Board, and the project applicant must apply for authorization if such discharge is proposed. The County's conditions of approval should

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also ensure proper permitting of the re-injection activities.

5. Any onsite wastewater system proposed to provide domestic wastewater treatment and disposal must be sited, designed, installed and maintained in accordance with the criteria specified in the Water Quality Control Plan, Central Coast Basin (Basin Plan). The Basin Plan criteria for onsite systems is available on our website at:  
<http://www.waterboards.ca.gov/centralcoast/BasinPlan/Index.htm>

If you have questions regarding any of these issues, please contact **Sorrel Marks at 805/549-3695** or **Burton Chadwick at 805/542-4786**.

Sincerely,

*for*   
Roger Briggs  
Executive Officer

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