

Produced water is the water that comes up with the extracted oil and the percentage of produced water, or water cut, assumed in the engineering calculations is important.

In different parts of Excelaron's project description there are three different numbers for the anticipated water cut: 83%, 75%, and 67%. This inconsistency in the project description and assumptions makes this project impossible to adequately evaluate. And they've designed their facilities for the best-case scenario of 67% water cut, which doesn't seem like a good engineering practice. Facilities should always be engineered for worst-case and not best-case scenarios.

The applicant's recent Phase I Environmental Site Assessment dated September 23, 2009 reports that in 1987 the water cut for three of the wells on the project site ranged from 89-95%.

Despite these numbers, Excelaron plans to drill a single disposal well to handle disposal of the excess produced water from 12 producing oil wells. There is no geological basis for the assumption that this single well would have capacity for disposal of project wastewater. The EIR should thoroughly analyze the applicant's claim that a single disposal well will be adequate to handle excess produced water.

The county has a history of allowing piecemealing in regards to disposal of wastewater. On page 6-5 of the June 2005 EIR addendum for the PXP phase 4 development plan in Price Canyon it states, "PXP has adequate capacity to dispose of all wastewater through re-injection." This EIR was subsequently approved by the Board of Supervisors.

Only two years later, PXP was back at the county because they no longer had the capacity to dispose of produced water. They proposed a reverse osmosis water filtration unit that now allows them to discharge produced water into Pismo Creek. The environmental impacts of that facility were considered separately from the environmental impacts of the phase 4 development expansion project. Such tactics are considered piecemealing and are not allowed by CEQA law.

Hopefully the county will not allow such tactics with this project, which would likely be legally contested in a lawsuit costing more county taxpayer dollars.

The EIR should evaluate the feasibility of the proposed facilities to adequately dispose of worst-case scenario produced water over the life of the proposed facility.