

Media Release

Central Valley Regional Water Quality Control Board

Settlement Agreement Reached with Kern County Oil Firm for Discharging Hydraulic Fracturing Fluid

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FRESNO - Vintage Production California LLC will pay a \$60,000 penalty for discharging hydraulic fracturing fluid into an unlined sump in violation of the California Water Code. The penalty is the result of a settlement agreement between Vintage and the Central Valley Regional Water Quality Control Board's prosecution team, and is the maximum penalty allowable under the state Water Code.

The prosecution team's investigation determined that Vintage periodically discharged saline water, formation fluids, and hydraulic fracturing fluid to an unlined sump for 12 days. The sump was next to a newly drilled Vintage oil well near the City of Shafter in Kern County. The prosecution team concluded the discharge posed a threat to groundwater quality and that Vintage violated the Water Code for the unpermitted discharge of wastewater to land.

The investigation that led to the settlement began immediately after a YouTube video at http://www.youtube.com/watch?v=mxb671gbmkY was brought to the prosecution team's attention. An investigative order under Water Code Section 13267 was issued that required Vintage to provide a technical report with specific details about the operation of the well and the discharges to the sump.

After reviewing the submitted technical information, the prosecution team issued a Notice of Violation to Vintage for the discharge of fluids to the sump for 12 days (September 30 through October 11, 2012) in violation of General Waiver Resolution R5-2008-0192 and Water Code Section 13350.

"The discharge of high-salinity water to unlined sumps in areas with good quality groundwater, such as at the Vintage Production site near Shafter, is not consistent with the Tulare Lake Basin Plan," said Central Valley Water Board Executive Officer Pamela Creedon. "We are concerned that similar discharges may have occurred elsewhere throughout the Central Valley. Past and future drilling operations will be evaluated to ensure that operators are in compliance with Basin







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Plan policy. Additionally, we are presently revising General Waiver Resolution R5-2008-0192 to more specifically address oil field drilling fluid discharges to unlined sumps located in the Central Valley."

Vintage agreed to cease discharging to unlined sumps in agricultural areas. Vintage is voluntarily investigating the leaching potential of the solidified material in the closed sump.

The draft Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order R5-2013-0587 (Stipulated Order) is available for a 30-day public review and comment period prior to consideration by the Central Valley Water Board. The Stipulated Order is at: http://www.waterboards.ca.gov/centralvalley/board_decisions/tentative_orders/vintage_stip/vintage_stip.pdf

The Central Valley Regional Water Quality Control Board is a California state agency responsible for the preservation and enhancement of water quality. For more information on the Central Valley Water Board, please visit the home page at: http://www.waterboards.ca.gov/centralvalley/

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