

NOTICE OF PUBLIC HEARING  
TO CONSIDER REFERRAL TO ATTORNEY GENERAL'S OFFICE

RESOLUTION NO. R3-2009-0054  
REGARDING

**Greka Oil & Gas, Inc.**

NOTICE IS HEREBY GIVEN THAT A HEARING WILL BE HELD  
BEFORE THE REGIONAL WATER QUALITY CONTROL BOARD,  
CENTRAL COAST REGION, ON JULY 10, 2009

**Background**

For over ten years, Greka has owned, leased and operated oil production facilities in, among other areas of the Central Coast Region and Santa Barbara County, the Casmalia, Cat Canyon, Santa Maria Valley and Zaca Oilfields. Greka's facilities include oil wells, pipelines, and separation and storage facilities. Central Coast Water Board staff has gathered information and evidence indicating that, since 2002, Greka has caused and/or permitted at least twenty four (24) unpermitted discharges of wastes to waters of the State and/or waters of the United States, including crude oil, produced water and residuary products of petroleum. Information and evidence gathered by staff indicates that the sum of these 24 illicit discharges exceeds 180,000 gallons (or approximately 4,250 barrels), and that some of the discharges may have included hazardous materials. Staff recommends that the Water Board approve Resolution No. R3-2009-0054 requesting that the California Attorney General petition a court of competent jurisdiction to impose, assess and recover civil liability, as well as appropriate injunctive and declaratory relief, from Greka Oil & Gas, Inc. ("Greka") in accordance with California Water Code ("CWC") sections 13350, 13385, and other applicable law.

**Purpose of Hearing**

The purpose of the hearing is to provide the Central Coast Water Board an opportunity to determine that there is reasonable justification to refer this matter to the Attorney General. The Water Board need not and should not adjudicate all of the evidence and the ultimate merits of the alleged liability, which would be the job of the superior court upon the Attorney General's prosecution. At the hearing, the Water Board will consider whether to adopt, modify, or reject the proposed resolution. If it adopts the resolution, the Water Board will thereby refer the matter to the Attorney General's Office to seek recovery of judicial civil liability.

The public hearing on July 10, 2009, is not time certain, and will commence in the order it is taken up by the Central Coast Water Board during the meeting. The meeting is scheduled to begin at 8:30 a.m. The meeting will be held at the Water Board meeting at the Watsonville City Council Chambers, 275 Main Street, 4<sup>th</sup> Floor, Watsonville, CA 95076. An agenda for the meeting will be issued at least ten days

before the meeting and will be posted on the Central Coast Water Board's web page at:

[www.waterboards.ca.gov/centralcoast](http://www.waterboards.ca.gov/centralcoast)

### **Hearing Procedures**

A copy of the procedures governing an adjudicatory hearing before the Central Coast Water Board may be found at Title 23 of the California Code of Regulations, § 648 et seq., and is available at <http://www.waterboards.ca.gov> or upon request. Except as provided in Title 23 of the California Code of Regulations (CCR), § 648(b), Chapter 5 of the Administrative Procedures Act (commencing with § 11500 of the Government Code) does not apply to adjudicatory hearings before the Central Coast Water Board. This Notice provides additional requirements and deadlines related to the proceeding. THIS NOTICE MAY BE AMENDED BY THE ADVISORY STAFF AS NECESSARY. FAILURE TO COMPLY WITH THE DEADLINES AND REQUIREMENTS CONTAINED HEREIN MAY RESULT IN THE EXCLUSION OF DOCUMENTS AND/OR TESTIMONY. Any objections to the procedure set forth in this Notice must be submitted to Frances McChesney at the address indicated below by **July 3, 2009**.

### **Hearing Participation**

Participants in this proceeding are designated as either "parties" or "interested persons." Designated parties to the hearing may present evidence and cross-examine witnesses and are subject to cross-examination. Interested persons may present non-evidentiary policy statements, but may not cross-examine witnesses and are not subject to cross-examination. Both designated parties and interested persons may be asked to respond to clarifying questions from the Central Coast Water Board, staff or others, at the discretion of the Water Board.

The following participants are hereby designated as parties in this proceeding:

- (1) Central Coast Water Board Prosecution Staff
- (2) Greka Oil & Gas, Inc.

### **Contacts**

#### **Advisory Staff:**

Frances L. McChesney, Esq.  
Senior Staff Counsel  
State Water Resources Control Board  
Office of Chief Counsel  
P.O. Box 100  
Sacramento, CA 95812  
(916)341-5174  
[fmcchesney@waterboards.ca.gov](mailto:fmcchesney@waterboards.ca.gov)

Roger W. Briggs  
Executive Officer  
Regional Water Quality Control Board, Central Coast Region  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401  
[rbriggs@waterboards.ca.gov](mailto:rbriggs@waterboards.ca.gov)

**Prosecution Staff:**

Christian Carrigan  
Senior Staff Counsel  
State Water Resources Control Board  
Office of Enforcement  
P.O. Box 100  
Sacramento, CA 95812  
(916)322-3626  
[ccarrigan@waterboards.ca.gov](mailto:ccarrigan@waterboards.ca.gov)

Michael Thomas  
Assistant Executive Officer  
Regional Water Quality Control Board, Central Coast Region  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401  
(805)542-4623  
[mthomas@waterboards.ca.gov](mailto:mthomas@waterboards.ca.gov)

Todd Stanley  
Enforcement Unit  
Regional Water Quality Control Board, Central Coast Region  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401  
[tstanley@waterboards.ca.gov](mailto:tstanley@waterboards.ca.gov)

Harvey Packard  
Pollution Prevention Section Manager  
Regional Water Quality Control Board, Central Coast Region  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401  
[hpackard@waterboards.ca.gov](mailto:hpackard@waterboards.ca.gov)

Rich Chandler  
Site Cleanup Unit  
Regional Water Quality Control Board, Central Coast Region  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401  
[bsanderson@waterboards.ca.gov](mailto:bsanderson@waterboards.ca.gov)

**Discharger:**

Greka Oil & Gas, Inc.  
1660 Sinton Road  
Santa Maria, CA 93458

**Separation of Functions**

To help ensure the fairness and impartiality of this proceeding, the functions of those who will act in a prosecutorial role by presenting evidence for consideration by the Central Coast Water Board (Prosecution Staff) have been separated from those who will provide advice to the Water Board (Advisory Staff). Members of the Advisory Staff are: Frances McChesney, Senior Staff Counsel, and Roger Briggs, Executive Officer. Members of the Prosecution Staff are: Christian Carrigan, Senior Staff Counsel, Michael Thomas, Assistant Executive Officer, Todd Stanley, Enforcement Unit, and Harvey Packard, Pollution Prevention Section Manager, and Rich Chandler, Site Cleanup Unit. This Notice has been issued by the Advisory Staff based on a draft proposed by the Prosecution Staff.

**Ex Parte Communications**

The designated parties and interested persons are forbidden from engaging in *ex parte* communications regarding this matter with members of the Advisory Staff or members of the Central Coast Water Board. An *ex parte* contact is any written or verbal communication pertaining to the investigation, preparation or prosecution of the Resolution between a member of a designated party or interested party on the one hand, and a Central Coast Water Board member or an Advisory Staff member on the other hand, unless the communication is copied to all other designated and interested parties or made at a proceeding open to all other parties and interested persons (if verbal). Communications regarding non-controversial procedural matters are not *ex parte* contacts and are not restricted. Communications among the designated and interested parties themselves are not *ex parte* contacts.

**Requesting Designated Party Status**

Persons who wish to participate in the hearing as a designated party, and not already listed above, shall request party status by submitting a request in writing (with copies to the designated parties) no later than 5 p.m. on **July 3, 2009**, to Frances McChesney, Senior Staff Counsel, State Water Resources Control Board, P.O. Box 100, Sacramento, CA, 95812 or electronically to [fmchesney@waterboards.ca.gov](mailto:fmchesney@waterboards.ca.gov). The request shall include an explanation of the basis for status as a designated party (e.g., how the issues to be addressed in the hearing and the potential actions by the Central Coast Water Board affect the person) and a statement explaining why the party or parties designated above do not adequately represent the person's interest. Any opposition to the request must be submitted by 5 p.m. on **July 7, 2009**. The parties will be notified by 5 p.m. on **July 8, 2009**, as to whether the request has been granted or denied.

### **Hearing Time limits**

To ensure that all participants have an opportunity to participate in the hearing, the following time limits shall apply: each designated party shall have 5 minutes to testify, present evidence, and cross-examine witnesses, and 5 minutes for closing statements, and each interested person shall have 3 minutes to present a non-evidentiary policy statement. Participants with similar interests or comments are requested to make joint presentations, and participants are requested to avoid redundant comments. Additional time may be provided at the discretion of the hearing officer upon a showing that additional time is necessary.

### **Written Evidence, Exhibits and Policy Statements**

Designated parties shall submit in writing one paper copy and an electronic file (e.g., pdf via email or CD) of the following information to Frances McChesney, Senior Staff Counsel, at the above listed address and 9 paper copies and an electronic file to Roger Briggs, Executive Officer, at the above listed address, no later than 5 p.m. on **July 3, 2009**.

1. All documentary evidence and exhibits proposed to be offered at the hearing.
2. All legal and technical arguments or analysis.

In addition to the foregoing, each designated party shall send one electronic copy of the above materials to each of the other designated parties at the address or addresses provided above by 5 p.m. on **July 3, 2009**.

Interested persons may submit one (1) copy of non-evidentiary policy statements by the start of the hearing.

### **Evidentiary Objections**

A designated party objecting to evidence proposed by another party must submit a written objection by 5 p.m. on **July 7, 2009**, to Frances McChesney, Senior Staff Counsel, State Water Resources Control Board, P.O. Box 100, Sacramento, CA, 95812, and in electronic format to [fmcchesney@waterboards.ca.gov](mailto:fmcchesney@waterboards.ca.gov), and a copy to all other designated parties. The Advisory Staff will notify the parties about further action to be taken on such objections.

### **Questions**

Questions concerning this proceeding may be addressed to Frances McChesney, Senior Staff Counsel, State Water Resources Control Board, P.O. Box 100, Sacramento, CA, 95812; tel. (916) 341-5174.

**IMPORTANT DEADLINES**

July 3, 2009	Deadline for submission of request for designated party status and objection to Notice
July 7, 2009	Deadline for opposition to request for designated party status
July 8, 2009	Decision issued on request for designated party status, if any
July 3, 2009	Deadline for submission of evidence and legal argument
July 7, 2009	Deadline for submission of evidentiary objections
July 8, 2009	Rulings on evidentiary objections, if any
July 10, 2009	Hearing Date

---

Roger W. Briggs  
Executive Officer

---

DATE

S/Shared/Enforcement/Greka/BdMtg7-10-09/hearing\_notice