

HYDRAULIC FRACTURING:

Calif. commission launches probe of offshore fracking

Anne C. Mulkern, E&E reporter Friday, August 16, 2013

The California Coastal Commission yesterday launched an investigation into how much hydraulic fracturing is happening offshore and what power the agency has to control it.

At a meeting yesterday in Santa Cruz, agency aides said they needed to find out more about the implications of fracking in the Pacific Ocean, following a news report that regulators have allowed drilling using the technique at least a dozen times since the late 1990s. The Associated Press unearthed the data through a Freedom of Information Act request.

"We take our obligation to protect the marine environment very seriously, and we're going to be looking at this very carefully," said commission Executive Director Charles Lester, who told the panel, "you have a long tradition of looking at offshore issues and offshore development very carefully."

The Coastal Commission lacks key data related to fracking, in which companies blast water laced with sand and chemicals at high pressure to break apart rock formations and release oil or natural gas, said Alison Dettmer, chief deputy head of the commission's Energy and Ocean Resources division.

"Today, I do not know how many wells have been fracked" in state waters off California's coast, Dettmer said. There are four platforms and five oil and gas producing islands there that have been operating "a very long time," she added.

In waters controlled by the federal government, there are 23 platforms with outer continental shelf (OCS) plans granting approval for exploration. Thirteen of those were authorized by the Coastal Commission, she said.

"What I've been told is that there have been 12 individual wells that have done some form of fracking in the last 25 years," Dettmer said. In addition, it has been approved for Platform Gilda off Santa Barbara, although work has not commenced, she said.

"We do not yet understand the extent of fracking in federal and state waters, nor fully understand its risks," Dettmer said.

It's the latest twist in the Golden State's dilemma over fracking, how much of it should be allowed and how it should be regulated. Environmental and community groups for more than a year have been lobbying lawmakers and state officials to enact oversight. Right now, there are no specific regulations on the technique and no special permits needed for onshore operations. Green groups have charged that the California Department of Conservation's Division of Oil, Gas and Geothermal Resources (DOGGR) doesn't know how many wells have been fracked, where it's happening or what chemicals are being used.

The revelation that the California Coastal Commission did not know about offshore fracking is the latest evidence that a moratorium is needed, said Kathryn Phillips, director of Sierra Club California.

"If the oil industry wanted to give a gift to those of us who argue there ought to be a moratorium, that's what this is," Phillips said.

The state Legislature earlier this year rejected three bills that would have halted fracking. Two died in an Assembly Committee and a third in an Assembly floor vote. The current session ends in a few weeks.

Asked whether the clock has run out for a moratorium this year, Phillips said "maybe it's time for the governor to act. Somehow we have to put a stop to this. There has to be a timeout."

Tupper Hull, spokesman for the Western States Petroleum Association, did not immediately respond to an inquiry sent late yesterday. He has said previously that companies have used hydraulic fracturing for decades in the state and there is no proof of environmental damage.

'Tricky legal issues to vet'

The federal Bureau of Safety and Environmental Enforcement (BSEE) must sign off on well completion work, Dettmer said in explaining

why the Coastal Commission did not know about the fracking. Federal rules require BSEE to submit to relevant state agencies information on major changes to ensure that they are consistent with state law, Dettmer said.

It appears, she said, that BSEE has been approving hydraulic fracturing work as "minor revisions" to OCS plans.

"So that's why we haven't been seeing these," she said.

California has bans on new leases for offshore drilling, but most of the leases in question have existed for years and have changed ownership several times, said Brian Segee, staff attorney with the Santa Barbara-based Environmental Defense Center.

Many of the existing permits don't have end dates, he said, and companies then use varying techniques to extract oil and gas until the resource runs out.

It wasn't clear how long the California Coastal Commission investigation would take or how much leverage the agency might have to limit fracking. There are "some tricky legal issues here that we need to fully vet," Dettmer said.

"We want to do some fact finding and come back to you later," Dettmer told the commission, adding that staff was starting to investigate where and when fracking was occurring.

"What I've been told is that what has occurred offshore is much smaller in scale, lesser volume of water, chemicals and lesser pressure" than onshore, Dettmer said. "We'll look at what are the risks of fracking and what authorities do others and we have to regulate," she said.

Legislation that would mandate oversight of hydraulic fracturing will be heard by an Assembly committee this month and if approved would go to a floor vote in that chamber. Passage would send it to Gov. Jerry Brown's (D) desk. Sen. Fran Pavley's (D) S.B. 4 would require some disclosure on chemicals used and notification of residents before drilling starts and would create a system for testing groundwater.

The bill, if passed, wouldn't limit the Coastal Commission's authority to regulate fracking in the coastal zone, Dettmer said.

DOGGR, meanwhile, is close to releasing its proposed rules on fracking.

Community seeks help

The commission heard from several residents and environmental groups that want to stop or limit the drilling. Several rows of people filled seats for the meeting, which started at 8:30 a.m. PDT.

"I'm absolutely furious that this could be happening without our having known about it," said local resident Jacqueline Griffith. "The idea that this has been happening behind your backs, behind our backs, is not OK."

She urged the commission to also look at acidization or acid matrix stimulation, in which hydrochloric or hydrofluoric acid is injected into shale to allow oil to flow into the well. She said she also was concerned about the release of methane, "which is 100 times worse than carbon dioxide" in terms of exacerbating climate change.

"You're our hope after so many regulatory agencies have let us down," Griffith said.

In addition to not sharing information with the state, the federal government has given some of the companies drilling in U.S. waters categorical exclusions from the National Environmental Policy Act, said Segee with Environmental Defense Center. That meant they had to do a "much more brief level of analysis" on the impacts of fracking.

The commission "has a vital role to play" in the offshore fracking issue, he said. Federal rules say that the state can protest if the drilling plans are not consistent with state rules, Segee said. He noted, however, that if a company dislikes the state's interference, it can appeal to the Obama administration.

"The coastal commission does have some room here to take some affirmative action," Segee said.

Emily Jeffers, staff attorney at Center for Biological Diversity, said she believed the commission had the ability to issue a moratorium on fracking that would cover state waters. The center in a letter urged the commission to put the brakes on fracking.

"While we believe the only way to adequately protect the California coast is to permanently ban fracking, it is beyond dispute that the current regulatory vacuum at both the state and federal level is unacceptable, and that the Commission should institute a much needed time-out while offshore fracking is investigated," the letter said.

"During fracking, a significant amount of the fracking fluid returns to the surface and is either discharged into the ocean or transported for onshore ground injection," the letter added. "At sea, these chemicals enter the marine ecosystem. And on land, underground injection of fracking fluids has the potential to contaminate groundwater."