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To fight fracking bans, oil firms heavily outspend environmentalists

By David R. Baker Sunday, November 2, 2014

With a population of just 55,000 scattered among its hills, San Benito County seems an unlikely threat to California's oil industry.

But come Tuesday, voters there will decide whether to ban fracking, acidizing and other "high-intensity" forms of oil extraction within the county's borders. And the industry isn't taking the challenge lightly.

San Benito is one of three California counties with fracking bans on this week's ballot. And together, oil companies including Chevron Corp. and Occidental Petroleum have spent \$7.7 million to defeat them. That's more money than California's Republican gubernatorial candidate, Neel Kashkari, has raised during his entire campaign.

Only one of the counties, Santa Barbara, is a major

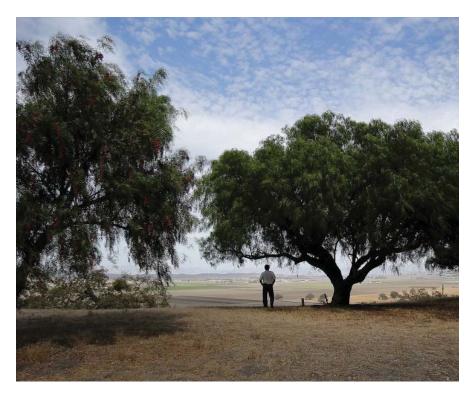


Photo: Brant Ward, The Chronicle

The San Juan Valley in San Benito County is said to contain oil deposits. A county ballot measure would ban fracking, steaming and acidizing for oil.

oil producer. San Benito has just 26 wells, and none has been fracked. The third county, Mendocino, has no active oil wells, according to state records.

But ban proponents consider hydraulic fracturing — which uses pressurized water, sand and chemicals to crack open oil-bearing rocks — a danger to California's groundwater supplies, particularly at a time when three years of historic drought have drained aquifers. Better to stop it now, they say.

"To me, the water is the story," said Tom Shepherd, an organic farmer in Santa Barbara County's Santa Ynez Valley. "Here we are, in the midst of a drought, and you're not concerned about your water and fracking? The aquifers have been drawn down. The rain we've had has been absorbed by the ground. The creeks don't run."

Used for decades

Oil companies consider fracking safe, saying they've used it in California for decades without a single documented case of groundwater contamination. They consider the proposed bans little more than an attempt to strangle oil production in the state.

"No one, to my knowledge, has fracked a well in San Benito County, and to my knowledge, no one is proposing to do that," said Steve Coombs, whose small oil company, Patriot Resources, has a dozen wells in the county. "So why are we having an initiative about banning fracking? At the end of the day, it's anti-fossil fuels."

Fracking opponents have pushed repeatedly for a statewide ban or moratorium, only to see the idea die in Sacramento. Last year, Gov. Jerry Brown threw his weight behind legislation that let fracking continue while creating new regulations for the practice and launching a study of its potential dangers.

Frustrated, environmentalists shifted their focus to local politics. Santa Cruz County

adopted a moratorium last year. The Los Angeles City Council followed suit in February.

Mostly in Kern County

The vast majority of fracking reported in California to date has taken place in one county — Kern, the heart of the state's oil industry. No one expects a ban there anytime soon. But other counties may follow if San Benito, Santa Barbara and Mendocino voters block fracking. That, ban supporters say, explains the industry's heavy spending.

"They might think that, as goes Santa Barbara County, so goes the state," said Rebecca Claassen, a chiropractor and cofounder of Santa Barbara County Water Guardians.

Chevron, based in San Ramon, has donated \$2.6 million to defeat the ballot measures, according to state records. Aera Energy has given \$2.1 million; Occidental Petroleum, \$2 million.

Backers of the Santa Barbara ban report raising \$400,000. Their counterparts in San Benito have raised \$120,000.

The ballot fight comes as oil companies try to develop the Monterey Shale, a vast oil-laden rock formation beneath the southern San Joaquin Valley. Although the federal government this year slashed its estimate of the amount of oil that can be squeezed from the shale using current technology, drillers continue probing the

formation, saying it could one day yield an economic bonanza for the state.

The idea of an oil boom, however, troubles many rural residents. Fracking for oil and natural gas has transformed swaths of North Dakota, Pennsylvania and Texas, filling them with drill rigs, truck traffic and air pollution.

In San Benito County, a company called Citadel Exploration has been probing for oil on a 688-acre site that the company says holds enormous promise. Developing the field, near Pinnacles National Park, would likely require "several hundred wells," Citadel announced in August.

Protection doubted

Given the scale of California's oil industry, San Benito residents pushing for a ban doubt the ability of state regulators to protect them. The state government doesn't have the resources to make sure every well is correctly designed and drilled, said Andy Hsia-Coron, a retired teacher who helped launch the ban proposal.

"I don't think they're up for policing this process across the state," he said. "From early on, I thought it was going to require counties to defend themselves."

The proposed bans in San Benito and Santa Barbara counties, both written by the same San Francisco law firm, don't just target fracking. They would also block acidizing, which uses acid to cre-

ate tiny channels in subterranean rocks. And they would prohibit "steam flooding," in which steam is pumped underground to heat thick, heavy oil and make it flow more easily.

Problem for non-frackers

Those provisions would pose problems for many oil producers that don't frack. They often use acid to keep debris from clogging their wells. And steam flooding has become common in the heavy-oil fields near Bakersfield.

"This is proposed as a ban on fracking, and they're using that as their front," said Kristina Chavez Wyatt, communications director for the "No on Measure J" campaign in San Benito. "The practices in there are common practices and techniques used in really all oil production in California. It would choke off the wells."

Her campaign has focused its arguments on access to energy and the continuing need for fossil fuels. The group has conducted polling, which she declined to share.

"We do know it's a close race," said Chavez Wyatt.

Seen as threat to rights

Mendocino County's proposed ban is substantially different. It doesn't mention acidizing or steam flooding. Instead it argues that "unconventional" fossil fuel extraction threatens the civil and human rights of the county's residents. In Santa Barbara County, Shepherd said the race seems to be split along the county's north-south divide. Support for a ban appears to be stronger along the southern coast, where memories of a major 1969 offshore oil spill linger. North of the Santa Ynez Mountains, more conservative attitudes prevail.

"A lot of them are ranch owners who don't want to be told what to do with their property," Shepherd said.

He adds that he's not opposed to all oil operations in the county, though he distrusts the industry.

"I've accepted oil in the county because I'm a farmer, I drive a truck, I use diesel," Shepherd said. "I can't take my produce to market with a horse and buggy, and I understand that. Fracking is what I'm opposed to."