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September 6, 2019

VIA EMAIL

Mr. Daniel Cozad
Central Valley Salinity Coalition.
360 Lakeside Ave.
Redlands, CA 92373

Re: Seneca Resources Company, LLC - Petition for Beneficial Use De-Designation and Basin Plan Amendment – South Lost Hills Oilfield - Lower Tulare and Etchegoin Formations – Submittal of Draft Staff Report

Dear Daniel:

As per our discussions we are attaching a number of documents to facilitate CV-SALTS' technical review of the above-referenced beneficial use de-designation proposal to the Central Valley Regional Water Quality Control Board. We are including:

- 1) A PowerPoint presentation summarizing Seneca's proposal.
- 2) Seneca's April 16, 2018 Revised Technical Report in Support of Petition for Beneficial Use De-Designation and Basin Plan Amendment – South Hills Oilfield – Lower Tulare and Etchegoin Formations, prepared by Austin Roelofs, Seneca's Senior Geologist, and Kennedy-Jenks. As requested, we are providing the report in PDF and Word format.
- 3) An errata sheet for the April 16, 2018 Technical Report, including a revised cover page showing the correct preparation date of April 16, 2018 (rather than 2017).

I thought it would be helpful to include some background for the CV-Salts reviewers.

Seneca Resources Corporation (since renamed Seneca Resources Company, LLC) carries out oilfield operations, including reinjection of produced water into the Lower Tulare and Etchegoin Formations in the South Lost Hills oilfield pursuant to permits issued by the Division of Oil, Gas and Geothermal Resources. On April 11, 2017, Seneca submitted a proposal for de-designation of a portion of the subject aquifers

(which have TDS levels well in excess of 10,000 mg/L) to the Central Valley Regional Board. With its de-designation proposal, Seneca submitted a technical report in support of its formal proposal prepared by Seneca's Senior Geologist, Austin Roelofs, and Kennedy/Jenks Consultants. Following receipt of input on the technical report from the Regional Board staff, Seneca and Kennedy Jenks conducted additional review and then submitted a revised version of the report (dated April 16, 2018) with supplemental information and analysis on April 20, 2018. Seneca's technical report is included with this transmittal.

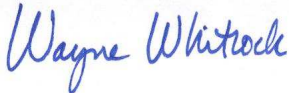
The impetus for Seneca's petition is the threat of litigation under Proposition 65 relating to the current beneficial use designation of the subject aquifers as MUN. Pursuant to Proposition 65, Seneca has received pre-suit notice that it could be sued under Proposition 65 based on allegations that its otherwise lawful water reinjection is technically violating Proposition 65's prohibition on discharges to "sources of drinking water" as defined therein (Health and Safety Code Section 25429.11). Seneca's submissions demonstrate that the aquifers are not, in fact, sources of drinking water. Therefore, Seneca has requested that the Regional Board remove the current MUN designation to reflect the aquifers' actual condition in relation to beneficial uses and thereby address the risk of Proposition 65 liability. In addition, based on discussions with Regional Board staff and further evaluation, Seneca has expanded its proposal to de-designate the AGR use within the proposed de-designation area.

We received positive feedback on Seneca's proposal in our July 1 meeting with Regional Board staff and, among other things, agreed to seek CV-SALTS review of the proposal in anticipation of the Regional Board's formal review process. As you know, Seneca is a member of the California Independent Petroleum Association (CIPA), which is a member of CV-SALTS.

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We appreciate your cooperation in facilitating CV-SALTS' review and our upcoming discussion of Seneca's proposal on September 19. Please let me know if there are others who should receive the documents included with this letter.

Sincerely,



Wayne M. Whitlock

Enclosures

cc: Mr. Clay Rodgers, Central Valley Regional Water Quality Control Board
Mr. Walt Plachta, Central Valley Regional Water Quality Control Board
Mr. Ben Elmore, General Counsel, Seneca Resources Company, LLC
Mr. Austin Roelofs, Senior Geologist, Seneca Resources Company, LLC
Mr. Todd Miller, Kennedy/Jenks Consultants
Mr. Gary Carlton, Kennedy/Jenks Consultants
Mr. Jay Knight, Kennedy/Jenks Consultants