

**Meeting of the Central Valley Flood Protection Board
March 23, 2012**

Staff Report – Encroachment Permit

**Chevron North America
Oil Production Well, Kern County**

1.0 – ITEM

Consider approval of Permit No. 18573 (Attachment B)

2.0 – APPLICANT

Chevron North America

3.0 – LOCATION

The project is located on the left (south) bank Designated Floodway of Kern River, north of the City of Bakersfield, downstream (southwest) of the intersection of Round Mountain Road and China Grade Loop, southwest of Oil City. Section 9, T29S, R28E, Kern County, (see Attachment A)

4.0 – DESCRIPTION

Applicant proposes to drill one (1) production well and two (2) stream injection wells within the Kern River Designated Floodway. (Project KCL39)

5.0 – PROJECT ANALYSIS

The proposed project will be located on Chevron's existing KCL-39 lease in central Kern County at the southern end of San Joaquin Valley within the Oil Center U.S. The elevation at the project area averages 442 feet above mean sea level. All project-related activities will occur outside of the bed and banks and the riparian corridor of the Kern River and would not result in the discharge of silt or other materials into the Kern River.

5.1 – Hydraulic Analysis

Not required.

5.2 – Geotechnical Analysis

Not required.

5.3 – Additional Staff Analysis

Not required.

6.0 – AGENCY COMMENTS AND ENDORSEMENTS

The comments and endorsements associated with this project, from all pertinent agencies are shown below:

The U.S. Army Corps of Engineers 208.10 comment letter has been received for this application. The USACE District Engineer has no objection to the project, subject to conditions. The letter is incorporated into the permit as Exhibit A.

7.0 – CEQA ANALYSIS

The Board, as a responsible agency under CEQA, has reviewed Initial Study/Mitigated Negative Declaration (IS/MND) (SCH Number: 2011101048, September 2011) and Mitigation Measures for the Thermally Enhanced Oil Recovery Well Operation Project

prepared by the lead agency, the San Joaquin Valley Unified Air Pollution Control District (District). These documents, including project design, may be viewed or downloaded from the Central Valley Flood Protection Board website at <http://www.cvfpb.ca.gov/meetings/2012/03-23-2012.cfm> under a link for this agenda item. These documents are also available for review in hard copy at the Board and the District offices.

The District determined that the project would not have a significant effect on the environment on September 19, 2011 and filed a Notice of Determination on September 23, 2011 with the State Clearinghouse. Board staff finds that although the proposed project could have a potentially significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. The project proponent has incorporated mandatory mitigation measures into the project plans to avoid identified impacts or to mitigate such impacts to a point where no significant impacts will occur. These mitigation measures are included in the project proponent's IS/MND and address impacts to air quality, biological resources, cultural resources, geology and soils, hydrology and water quality. The description of the mitigation measures are further described in the adopted IS/MND.

8.0 – SECTION 8610.5 CONSIDERATIONS

1. Evidence that the Board admits into its record from any party, State or local public agency, or nongovernmental organization with expertise in flood or flood plain management:

The Board will make its decision based on the evidence in the permit application and attachments, this staff report, and any other evidence presented by any individual or group.

2. The best available science that related to the scientific issues presented by the executive officer, legal counsel, the Department or other parties that raise credible scientific issues.

The accepted industry standards for the work proposed under this permit as regulated by Title 23 have been applied to the review of this permit.

3. Effects of the decision on the entire State Plan of Flood Control:

None.

4. Effects of reasonable projected future events, including, but not limited to, changes in hydrology, climate, and development within the applicable watershed:

Negligible if any.

9.0 – STAFF RECOMMENDATION

Staff recommends that the Board adopt the CEQA findings, approve the permit, and direct staff to file a Notice of Determination with the State Clearinghouse.

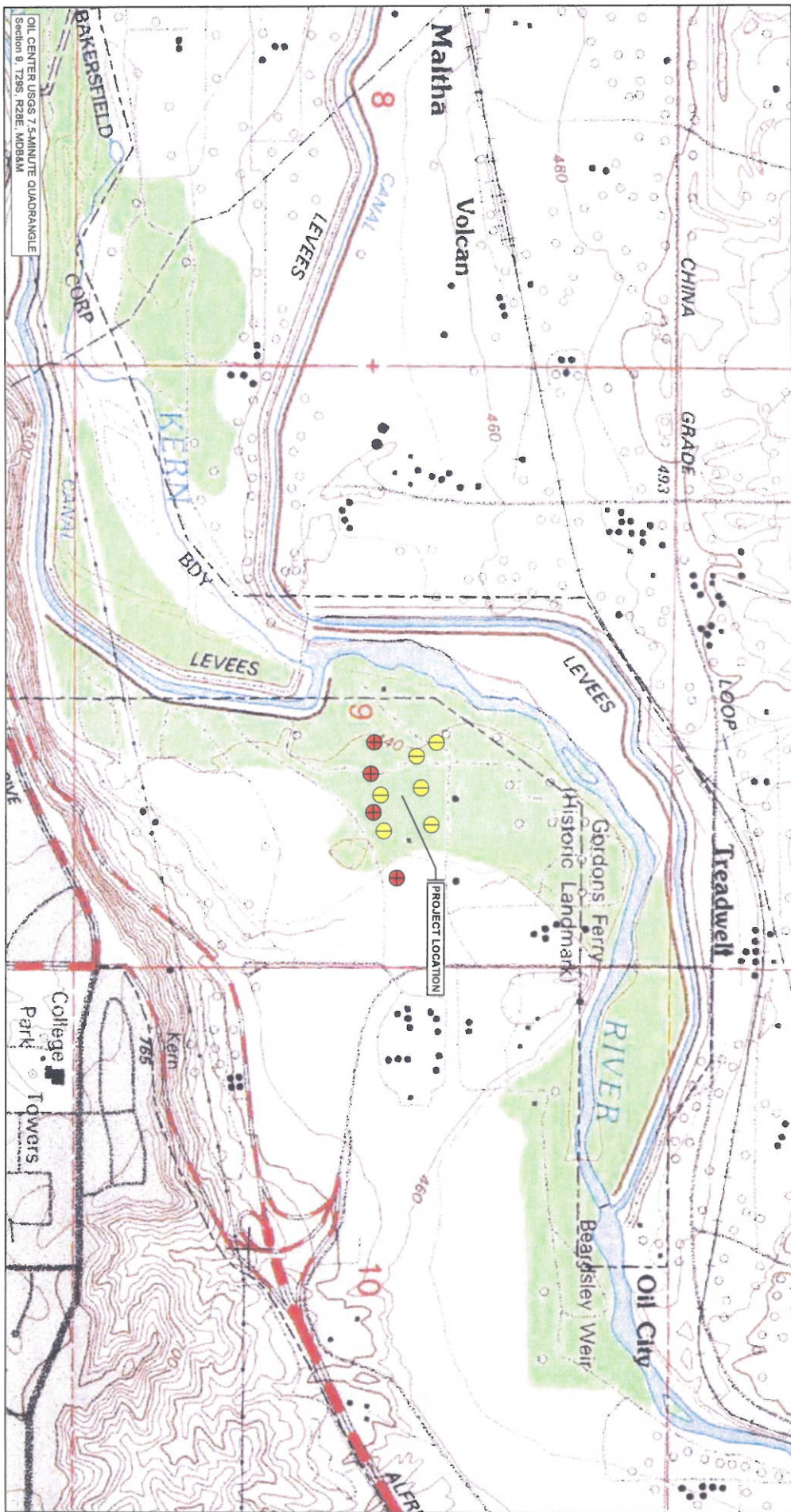
10.0 – LIST OF ATTACHMENTS

- A. Location Map and photo.
- B. Draft Permit No. 18573

Design Review:	Sam Brandon
Environmental Review:	Andrea Mauro and James Herota
Document Review:	Mitra Emami P.E., Len Marino P.E.



CHEVRON
 KCL-39 South Expansion Project
 USGS Topographic Map



- + PRODUCTION WELL LOCATION
- - STEAM INJECTION WELL LOCATION

Quad Knopf
 Figure 2

Source: USGS

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CHEVRON
KCL-39 South Expansion Project
Aerial Location Map



PRODUCTION WELL
 STEAM INJECTION WELL
 DISTURBANCE BOUNDARY AREA (APPROX. LOCATION)
 FLOODWAY BOUNDARY

FILE: \\ksdave-dtl\proj\kcl39\060505\150\Phase 21 - KCL39 Expansion Project\MapDocs\CAD\Fig_3_02_Aerial_071710.mxd

STATE OF CALIFORNIA
THE RESOURCES AGENCY
THE CENTRAL VALLEY FLOOD PROTECTION BOARD

PERMIT NO. 18573 BD

This Permit is issued to:

Chevron North America
5080 California Avenue, Suite 400
Bakersfield, California 93309

To drill and construct one oil well and two steam injection wells within the designated floodway of the left (south) bank of the Kern River. The project is located southwest of Oil City (Section 9, T29S, R28E, MDB&M, Kern River, Kern County).

NOTE: Special Conditions have been incorporated herein which may place limitations on and/or require modification of your proposed project as described above.

(SEAL)

Dated: _____

Executive Officer

GENERAL CONDITIONS:

ONE: This permit is issued under the provisions of Sections 8700 – 8723 of the Water Code.

TWO: Only work described in the subject application is authorized hereby.

THREE: This permit does not grant a right to use or construct works on land owned by the Sacramento and San Joaquin Drainage District or on any other land.

FOUR: The approved work shall be accomplished under the direction and supervision of the State Department of Water Resources, and the permittee shall conform to all requirements of the Department and The Central Valley Flood Protection Board.

FIVE: Unless the work herein contemplated shall have been commenced within one year after issuance of this permit, the Board reserves the right to change any conditions in this permit as may be consistent with current flood control standards and policies of The Central Valley Flood Protection Board.

SIX: This permit shall remain in effect until revoked. In the event any conditions in this permit are not complied with, it may be revoked on 15 days' notice.

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SEVEN: It is understood and agreed to by the permittee that the start of any work under this permit shall constitute an acceptance of the conditions in this permit and an agreement to perform work in accordance therewith.

EIGHT: This permit does not establish any precedent with respect to any other application received by The Central Valley Flood Protection Board.

NINE: The permittee shall, when required by law, secure the written order or consent from all other public agencies having jurisdiction.

TEN: The permittee is responsible for all personal liability and property damage which may arise out of failure on the permittee's part to perform the obligations under this permit. If any claim of liability is made against the State of California, or any departments thereof, the United States of America, a local district or other maintaining agencies and the officers, agents or employees thereof, the permittee shall defend and shall hold each of them harmless from each claim.

ELEVEN: The permittee shall exercise reasonable care to operate and maintain any work authorized herein to preclude injury to or damage to any works necessary to any plan of flood control adopted by the Board or the Legislature, or interfere with the successful execution, functioning or operation of any plan of flood control adopted by the Board or the Legislature.

TWELVE: Should any of the work not conform to the conditions of this permit, the permittee, upon order of The Central Valley Flood Protection Board, shall in the manner prescribed by the Board be responsible for the cost and expense to remove, alter, relocate, or reconstruct all or any part of the work herein approved.

SPECIAL CONDITIONS FOR PERMIT NO. 18573 BD

THIRTEEN: All work approved by this permit shall be in accordance with the submitted drawings and specifications except as modified by special permit conditions herein. No further work, other than that approved by this permit, shall be done in the area without prior approval of the Central Valley Flood Protection Board.

FOURTEEN: The permittee shall contact the Department of Water Resources by telephone, (916) 574-0609, and submit the enclosed postcard to schedule a preconstruction conference. Failure to do so at least 10 working days prior to start of work may result in delay of the project.

FIFTEEN: The permittee shall maintain the permitted encroachment(s) and the project works within the utilized area in the manner required and as requested by the authorized representative of the Department of Water Resources or any other agency responsible for maintenance.

SIXTEEN: The permittee is responsible for all liability associated with construction, operation, and maintenance of the permitted facilities and shall defend, indemnify, and hold the Central Valley Flood Protection Board and the State of California; including its agencies, departments, boards, commissions, and their respective officers, agents, employees, successors and assigns (collectively, the "State"), safe and harmless, of and from all claims and damages arising from the project undertaken pursuant to this permit, all to the extent allowed by law. The State expressly reserves the right to supplement or take over its defense, in its sole discretion

SEVENTEEN: The permittee shall operate and maintain the permitted encroachment(s) and the project works within the utilized area in the manner required and as requested by the authorized representative of Department of Water Resources, or any other agency responsible for maintenance. Maintenance may include actions to preserve the integrity of the flood control system under emergency conditions. These actions will be taken at the sole expense of the permittee.

EIGHTEEN: The permittee shall defend, indemnify, and hold the Central Valley Flood Protection Board and the State of California, including its agencies, departments, boards, commissions, and

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their respective officers, agents, employees, successors and assigns (collectively, the "State"), safe and harmless, of and from all claims and damages related to the Central Valley Flood Protection Board's approval of this permit, including but not limited to claims filed pursuant to the California Environmental Quality Act. The State expressly reserves the right to supplement or take over its defense, in its sole discretion.

NINETEEN: Cleared trees and brush shall be completely burned or removed from the Kern River Designated Floodway, and downed trees or brush shall not remain in the floodway during the flood season from November 1st to July 15th.

TWENTY: No construction work of any kind shall be done during the flood season from November 1st to July 15th.

TWENTY-ONE: All construction debris generated by this project shall be disposed of outside of the Kern River Designated Floodway.

TWENTY-TWO: Any material excavated from the sump shall not be spoiled higher than 3 feet above the adjacent ground elevation.

TWENTY-THREE: Any earth pad or access road constructed at the well location shall not be higher than 3 feet above adjacent ground elevation.

TWENTY-FOUR: Before work starts on permanent structures at the well site, a detailed plan of these structures shall be approved by the Central Valley Flood Protection Board.

TWENTY-FIVE: Fences shall not be installed around the perimeter of the area.

TWENTY-SIX: Should the well be nonproductive or abandoned, the drill hole must be completely grouted and the area restored to the condition that existed before work started.

TWENTY-SEVEN: If the wells or pumps result in a substantial increase in the hydraulic water surface of the floodway, the hydraulic impact shall be mitigated or the wells and pumps shall be removed from the floodway.

TWENTY-EIGHT: No above the ground structures except the pumping units shall be allowed within the floodway without prior approval of The Central Valley Flood Protection Board.

TWENTY-NINE: The permittee may be required, at permittee's cost and expense, to remove, alter, relocate, or reconstruct all or any part of the permitted encroachment(s) if removal, alteration, relocation, or reconstruction is necessary as part of or in conjunction with any present or future flood control plan or project or if damaged by any cause. If the permittee does not comply, The Central Valley Flood Protection Board may remove the encroachment(s) at the permittee's expense.

THIRTY: If the project, or any portion thereof, is to be abandoned in the future, the permittee or successor shall abandon the project under direction of The Central Valley Flood Protection Board and Department of Water Resources, at the permittee's or successor's cost and expense.

THIRTY-ONE: The permitted encroachment(s) shall not interfere with operation and maintenance of

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the flood control project. If the permitted encroachment(s) are determined by any agency responsible for operation or maintenance of the flood control project to interfere, the permittee shall be required, at permittee's cost and expense, to modify or remove the permitted encroachment(s) under direction of The Central Valley Flood Protection Board or Department of Water Resources. If the permittee does not comply, The Central Valley Flood Protection Board may modify or remove the encroachment(s) at the permittee's expense.

THIRTY-TWO: The permittee shall comply with all conditions set forth in the letter from the Department of the Army dated August 16, 2010, which is attached to this permit as Exhibit A and is incorporated by reference.



DEPARTMENT OF THE ARMY
U.S. Army Engineer District, Sacramento
Corps of Engineers
1325 J Street
Sacramento, California 95814-2922

Exhibit A

REPLY TO
ATTENTION OF

Flood Protection and Navigation Section (18573)

AUG 16 2010

Mr. Jay Punia, Executive Officer
Central Valley Flood Protection Board
3310 El Camino Avenue Room 151
Sacramento, California 95821

Dear Mr. Punia:

We have reviewed a permit application by Chevron North America (application number 18573). This project includes drilling and constructing one well and two steam injection wells within the left bank designated floodway of the Kern River. The project is located near Bakersfield, southwest of Oil City at 35.4194°N 118.9743°W NAD83, in Kern County, California.

The proposed work does not affect a Federally constructed project, however, according to the Kern River Intertie Operation and Maintenance Manual, page 15, section 2, the capacity of the channels that existed prior to the construction of the Intertie Project is required for the Intertie project to function effectively. The channel capacity of the Kern River through Bakersfield was estimated at 8,000 cfs as shown in Table 1, Estimated Channel Capacities. This proposed project shall not affect the ability of the channel to pass the 8,000 cfs. We recommend that the City of Bakersfield ensure that this project does not impact the City's ability to participate in the National Flood Insurance Program (NFIP).

A file (SPK-2010-00920) has been opened because a Section 10 and/or Section 404 permit may be required. Please advise the applicant to contact the U.S. Army Corps of Engineers, Sacramento District, Regulatory Division, 1325 J Street, Sacramento, California 95814, telephone (916) 557-5250.

A copy of this letter is being furnished to the acting chief, Flood Project Integrity and Inspection Branch, 3310 El Camino Avenue, Suite LL30, Sacramento, CA 95821.

Sincerely,



Meegan G. Nagy, P.E.
Chief, Flood Protection and Navigation Section