


SB 4 Compliance Update: Practical and Legal Implications of the DOGGR Interim Regulations for Operators in 2014

Presented by:
**Stoel Rives LLP and
BSK Associates, Engineers &
Laboratories**





Thursday, March 13, 2014 • Oil & Gas Industry Webinar

New Definitions

- Hydraulic Fracturing (“with intent to fracture”)
- Protected Water (“exempt aquifers”)
- Tenant (“possessing right to occupy”)

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Activities That Do Not Need a Permit

- Acid matrix stimulation with concentration > 7%
- Routine well-cleanout, removal of scale or precipitate
- Treatment does not penetrate formation more than 36 inches

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Interim Well Stimulation Treatment Notice (“IWSTN”)

- Attach all certifications to DOGGR and owners with notice
- DOGGR is sending notices back that it deems insufficient

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Public Submissions

- Submit completed IWSTN to DOGGR at NoticeWST@conservation.ca.gov
- Submit required disclosures 60 days after treatment to:
 - DisclosureWST@conservation.gov (use WST Disclosure Reporting Form); AND
 - FracFocus.org (“to extent possible”)

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IWSTNs

- DOGGR posting IWSTNs on http://www.conservation.ca.gov/dog/Pages/IWST_disclaimer.aspx
- Public is SCRUTINIZING posted IWSTNs

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Disclosures - Water

- 60 days after treatment operator must disclose:
 - Chemical composition of treatment fluid
 - Volume of base fluid

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Disclosures - Water

- Source, volume, composition of all water associated with treatment
 - Drought concerns likely to heighten scrutiny
- Disposition of all fluids

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Notice & Testing

- Notice issues:
 - Return to sender
 - Insufficient/incorrect information on Assessor Roll
 - Post office mistakes

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Notice & Testing

- Testing considerations:
 - Few requests for testing
 - Owner has 20 days to request testing
 - Data may still be reported anyway...

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Groundwater Monitoring Plans



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Groundwater Monitoring Plans (“GWMPs”)

- If protected water present, create a GWMP; OR

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GWMPs – No Protected Water

- Demonstrate no protected water within vicinity of the well, and then no GWMP required
 - ALONG WITH “written concurrence” from the “Water Boards”

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GWMPs – No Protected Water

- Reports demonstrating no protected water must be very detailed
- DOGGR stepping in to facilitate creation of GWMPs or to obtain written concurrence of no protected water

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GWMP - Wells

- No requirement to drill new well if none present
 - Idle wells may be an option
- No exceptions to conducting monitoring if no wells present

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Property Access Concerns

- SB 4 does not require owners to permit water quality testing by operators
- Leases typically do not address this issue
- What if landowners say no?
 - Results of groundwater monitoring sampling will be reported to SWRCB

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GWMP - Wells

- Wells must be within “reasonable proximity” of operations (§ 1783.4(c).)
- Screen wells:
 - At depths in aquifer where existing supply wells are screened
 - Near base of protected waters (*presumably applies only to new wells*)

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GWMP – Wells & Screening

- GWMP must identify certain groundwater supply wells within a 1,500 foot radius of wellhead and 500 foot radius of horizontal trajectory:
 - Public
 - Private
 - Irrigation
 - Industrial

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GWMP – Wells & Screening

- Must provide justification for:
 - Use of any new or existing groundwater wells; OR
 - Not using existing groundwater wells

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Groundwater Monitoring Wells - Sampling

- Sampling must occur:
 - Once prior to treatment
 - At least 60 days within treatment
- Sampling must be done by “qualified person” and consistent with certain EPA guidelines (§ 1783.5(g)(1)-(3).)

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Reporting GWMP Data

- Submit ONE combined report within 60 days of treatment containing:
 - All data collected in accordance with GWMP
- Submit to:
 - SWRCB via Geotracker

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Reporting GWMP Data

- Requirement to conduct sampling “semiannually” during Interim Period
- Semiannual data should be submitted in semiannual groundwater monitoring reports

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Developments

- “Home Rule” and local bans
 - (e.g., Los Angeles)
- SB 1132
 - Moratorium until study completed
- CEQA lawsuits
 - *CBD et al., v. DOGGR* (Super. Ct. Alameda County, 2014)

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SB 4 Resources

- Stoel Rives SB 4 Resources Page:
 - www.stoel.com/sb4
- California Environmental Law Blog:
 - www.californiaenvironmentallawblog.com

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Contact Information

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- Tom Henry
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Michael N. Mills

Experience

Michael Mills is an oil and gas attorney in the firm's Sacramento office specializing in environmental, permitting and litigation matters. He is a partner in the Environment, Land Use and Natural Resources group and is also active in the firm's Property Tax section. Beyond oil and gas and environmental law, Mike's practice involves a wide spectrum of natural resources matters, including mining, land use and eminent domain. Mike has a great deal of experience with federal and state hazardous waste laws and regulations, the California Environmental Quality Act (CEQA), and regulatory, permitting and title issues associated with oil and gas exploration and production. His oil and gas expertise extends to land, title and permitting issues unique to development of California's Monterey Shale, including compliance with SB 4, California's well stimulation treatment permitting law. In addition to being an experienced California oil and gas attorney, Mike also maintains specific skills in the areas of property tax assessments and the California Public Records Act, as well as land use, valuation and condemnation issues arising from the California High-Speed Rail project.

Representative Work and Engagements

Oil and Gas

- Representation of major and independent oil and gas companies in negotiating, reviewing and drafting oil and gas exploration and production agreements, including joint operating agreements, farmout agreements, pooling/unit agreements, leases and surface use agreements, easements, and purchase and sale agreements.
- Conducting due diligence for acquisition of oil and gas leases and fee interests, including advice on compliance with terms of affected joint operating agreements, farmout agreements and leases.
- Preparation of acquisition, division order and drilling title opinions.
- Due diligence for regulatory, permitting, title and environmental issues in connection with the acquisition of an underground natural gas storage facility in Northern California.
- Counsel and legal advice to oil and gas exploration and production companies seeking to develop California's Monterey Shale formation.
- Counseling and advice on subsurface trespass, pass-through rights and well setback requirements.



Partner

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Education

- University of California, Davis, School of Law, J.D., 1997
Order of the Coif
Senior Notes and Comments Editor,
U.C. Davis Law Review
- University of California, Davis, B.S.,
Environmental Toxicology (minor in English), 1994, *summa cum laude*
- Dana Curtis Mediation, Appellate Mediation Training Program, Certificate of Completion, 2010

Admissions

- California
- U.S. District Courts for the Eastern, Southern, Northern and Central Districts of California
- U.S. Court of Appeals for the Ninth Circuit
- U.S. Bankruptcy Court for the Eastern District of California

Michael N. Mills

- Counseling and advice to investment firm on oil and gas exploration and production issues in connection with financing the purchase of interests in South Belridge Oil Field, Kern County, California.
- Counseling and advice for operators and mineral lessees on forced entry procedures.
- Counseling and advice in connection with permitting applications and related CEQA review for oil and gas wells throughout California.
- Lead counsel in defense of Fortune 500 oil and gas company in claim of breach of Joint Development Agreement for California's Monterey Shale formation.
- Representation of oil and gas operator in collection action against non-operators for unpaid charges under joint operating agreements in Colusa and Sutter Counties.
- Counseling and advice to Canadian oil and gas drilling machinery supplier on entry into California market.
- Lead counsel for Fortune 500 oil and gas company in CEQA litigation to challenge residential development for lack of analysis of impacts to mineral resources.
- Representation of national oil and gas company in dispute over surface access rights in connection with residential development in Contra Costa County, California.
- Representation of development company in dispute over surface access rights in connection with commercial development in San Joaquin County, California.
- Representation of oil and gas company in lawsuit by property owners challenging company's use of road right-of-way for natural gas pipeline.
- Counseling and advice in connection with leases for underground gas storage project.
- Representation of oil and gas company in contract litigation involving joint operating agreement for natural gas field in Sutter County, California.
- Representation of oil and gas company in contract litigation involving terms of farmout agreement for natural gas field in San Joaquin County, California.

Mining

- Represented mining company as seller in the negotiation of a purchase and sale agreement for a sand mine in Southern California.
- Lead counsel for mining company in litigation brought against the Department of Conservation challenging procedures relating to a mine's removal from the AB 3098 List.
- Lead counsel for mining company in complex environmental enforcement action brought by the California Attorney General's Office to require remediation of abandoned mine in Tuolumne County, California.
- Lead counsel for mining industry plaintiffs challenging validity of certain financial assurance regulations under the Surface Mining and Reclamation Act.

Michael N. Mills

- Lead counsel for mining company subsidiary in complex enforcement action brought by the Alaska Department of Environmental Conservation to require the cleanup of an abandoned fuel bunker in Juneau, Alaska.
- Lead counsel for trustee of trust established under court-ordered settlement to oversee funds dedicated to, and management of, remediation of abandoned gold mine.
- Advise and counsel mining clients on CEQA compliance and related permitting matters.
- Lead counsel in defense of aggregate mining company in CEQA lawsuit challenging approval of mine expansion in Merced County, California.
- Lead counsel in defense of national aggregate mining company in CEQA lawsuit challenging approval of mine expansion in Butte County, California.
- Representation of national aggregate mining company in CEQA lawsuit challenging approval of mine expansion in Fresno County, California.
- Representation of national aggregate mining company in CEQA challenge to municipal ordinance requiring conditional use permit for federally approved mitigation bank.
- Representation of mining company in assessment appeal proceeding in Amador County, California.

Environmental Litigation and Administrative Enforcement Proceedings

- Lead counsel for Fortune 500 oil and gas company in connection with compliance efforts under the federal Clean Water Act and General Industrial Storm Water Permit for oil and gas fields in Southern California.
- Representation of Fortune 500 oil and gas company in defense of Clean Water Act citizen suit arising from concerns over hydraulic fracturing and enhanced oil recovery techniques resulting in alleged storm water discharges in violation of the General Industrial Storm Water Permit.
- Representation of Fortune 500 oil and gas company in connection with application of, and compliance with, Prevention of Significant Deterioration Regulation under the federal Clean Air Act in California's San Joaquin Valley.
- Lead counsel for property owner defendant in complex CERCLA action filed in the U.S. District Court for the Central District of California seeking contribution resulting from contamination within the El Monte Operable Unit of the San Gabriel Valley Superfund Site.
- Lead counsel for property owner defendant in complex CERCLA action filed in the U.S. District Court for the Eastern District of California seeking contribution for soil and groundwater contamination.
- Lead counsel for property owner in negotiation of Corrective Action Consent Agreement with California Department of Toxic Substances Control.
- Defended public water agency in complex environmental action brought in the U.S. District Court for the District of Arizona asserting claims under CERCLA, RCRA and Clean Water Act, as well as other claims.
- Defended second largest generator and coordinated representation of joint defense group in municipality's CERCLA cost-recovery action brought in the U.S. District Court for the Northern District of California.

Michael N. Mills

- Common counsel to group of cooperating parties in cleanup of multiparty Superfund site under supervision of the U.S. Environmental Protection Agency.
- Representation of trust established under court-ordered settlement to oversee funds dedicated to, and management of, remediation of solvent contamination to soil and groundwater in San Joaquin County, California.
- Representation and advice on legal and regulatory issues concerning contaminated lands and groundwater cleanup projects throughout Northern and Central California, including matters involving leaking or abandoned underground storage tanks.

California Environmental Quality Act (CEQA) Compliance and Litigation

- Advise clients with respect to CEQA compliance and related requirements.
- Evaluate projects for compliance with CEQA in preparation for litigation.
- Lead counsel for plaintiffs in CEQA lawsuit challenging the City of Oakland, California's proposed ordinance to ban plastic carry-out bags.
- Lead counsel in defense of Fortune 500 oil company in CEQA challenge to drilling permits issued by the Department of Conservation, Division of Oil, Gas, and Geothermal Resources.
- Lead counsel for Fortune 500 oil and gas company in CEQA litigation to challenge residential development for lack of analysis of impacts to mineral resources.
- Lead counsel in defense of residential developer in CEQA lawsuit challenging approval of residential subdivision in San Bernardino County, California.
- Lead counsel in defense of hunting club in CEQA lawsuit challenging approval of shooting range facility.
- Defense of public agency in CEQA challenge arising from proposed residential development project.

Property Tax

- Lead counsel for county in dispute with special district over property tax administration fees (successfully argued case before the California Court of Appeal, Third Appellate District).
- Lead counsel for hydroelectric facility in assessment appeals in Lassen County, California and Shasta County, California.
- Lead counsel for multiple public entities in unjust enrichment action seeking portion of previously refunded property taxes following successful assessment challenge.
- Representation of public agencies in both litigation and administrative proceedings involving Proposition 218 challenges to governmental assessments of property.
- Counsel for municipal utility district for property tax issues relating to real property acquisitions.

Land Use, Real Estate and Eminent Domain

- Lead counsel for Fortune 500 telecommunications company in land use dispute concerning zoning and site placement of cell phone tower.

Michael N. Mills

- Advice and counseling to affected landowners in connection with California High Speed Rail Authority's anticipated condemnation proceedings.
- Lead counsel for major oil and gas exploration and production company for condemnation issues affecting mineral rights.
- Defense of property rights of major oil and gas exploration company in numerous eminent domain actions brought by the State of California.
- Lead counsel for property owner in real estate purchase dispute involving contaminated property.
- Representation of landowner in connection with negotiations over municipal public improvements to avoid flooding of private property.
- Representation of commercial real estate leasing firm in various litigation matters.
- Defense of public agency landowners in eminent domain proceedings.

California Public Records Act Litigation and Public Agency Litigation

- Lead counsel in defense of multiple public agencies in litigation brought under the California Public Records Act.
- Lead counsel for hunting club in lawsuit against State of California agency arising from streambed alteration issues.

Water Rights Litigation

- Lead counsel for hydroelectric project operator in complex RICO action brought in the U.S. District Court for the Eastern District of California involving claims over disputed water rights.
- Representation of water right holders in Judicial Council Coordination Proceeding JC 4118: the Bay-Delta Decision 1641 Litigation.
- Representation of water agency in suit against State of California agency for nonpayment of assessments.
- Representation of county water agency in complex lease dispute with lessee over construction of flood control and water quality project.

Civil Writs and Other Engagements

- Representation of fresh produce company in commercial dispute over repairs made to industrial weighing scale.
- Lead counsel in defense of county in writ of mandate proceeding challenging selected site for water pumping facility.
- Representation of corporate defendant in complex litigation relating to closure of landfill in Amador County, California.

Published Opinions

- 138 Cal.App.4th 574 (2006).
- 105 Cal.App.4th 1155 (2003).
- 308 F.Supp.2d 1137 (2003).
- 213 F.Supp.2d 1208 (2002).

Michael N. Mills

Professional Honors and Activities

- Listed in *Northern California Super Lawyers®* (Environmental Law), 2013
- Member, State Bar of California, Environmental Law Section
- Panel Mediator, California Court of Appeal, Third Appellate District, Appellate Mediation Program
- Member and former President, former First Vice President, former Second Vice President, former Secretary/Treasurer and former Director-at-Large, Bar Council; Chair, Nominating Committee; member, Environmental Law Section, Sacramento County Bar Association
- Member and former President, Vice President, Programs Director and Secretary, Sacramento Chapter, Federal Bar Association
- Member, Natural Resources Section, American Bar Association
- Member and former Treasurer, Asian/Pacific Bar Association of Sacramento
- Member, Rocky Mountain Mineral Law Foundation
- Member, California Independent Petroleum Association
- Member, Sacramento Petroleum Association
- Member, Western States Petroleum Association

Presentations

- "Getting Ready for SB 4: California's New Well Stimulation Permitting Law," Stoel Rives Seminar, Bakersfield, California, Dec. 11 2013
- "Environmental Regulation and Hydraulic Fracturing in California," Program Co-Chair, Law Seminars International, Santa Monica, California, Jul. 29-30, 2013
- "Oil and Gas Drilling Law 101: The Nature and Scope of California's Regulation of Oil and Gas Production," Law Seminars International's Environmental Regulation and Hydraulic Fracturing in California Seminar, Santa Monica, California, Jul. 29, 2013
- "Strategies for Complying with California's Cap & Trade Program," Kern County Bar Association, Bakersfield, California, Dec. 12, 2012
- "How to Use A Title Opinion," 30th Annual West Coast Landmen's Institute, Dana Point, California, Sep. 27, 2012
- "Resolving Conflicts Between Solar Energy and Oil and Gas Development," PV America West, San Jose, California, Mar. 19-21, 2012
- "Getting the Most from the Consultant/Attorney Team," Stoel Rives LLP, Sacramento, California, Feb. 2, 2012
- "More Fracking Regulations? The Public's Sudden Interest in Hydraulic Fracturing," Bakersfield Association of Professional Landmen, Bakersfield, California, Jan. 10, 2012
- "Off or On? Examining OMR's AB 3098 Listing Procedures," California Construction and Industrial Materials Association Annual Education Conference, Monterey, California, Oct. 12, 2011

Michael N. Mills

- "Are Your Taxes Too High?," California Construction and Industrial Materials Association Annual Education Conference, Monterey, California, Oct. 11, 2011
- "CEQA -- Its Role In and Effect On the Permitting Process," 29th Annual West Coast Landmen's Institute, Santa Barbara, California, Sept. 29, 2011
- "Onshore Oil Production and Regulation in California," Environmental Law Symposium, University of California, Davis, School of Law, Apr. 1, 2011
- "Resolving Conflicts Between Oil and Gas and Renewable Energy Development," Bakersfield Association of Professional Landmen, Jan. 18, 2011
- "AB 32 and SB 97: California's Laws Regulating Greenhouse Gas Emissions and Climate Change and Their Related Impacts on Project Timelines and Permitting," 28th Annual West Coast Landmen's Institute, Shell Beach, California, Sept. 23, 2010
- "The Resurgence of Biomass Facilities - What You Need to Know to Develop, Permit and Finance Your Project," Tulare, California, Feb. 9, 2010
- "PITFALL - Landman Harry's Adventure in California's Land Use Jungle," Bakersfield Association of Professional Landmen, Nov. 17, 2009
- "Do's and Don'ts for Expert Witnesses," Groundwater Resources Association, 2005
- "Applying Environmental Toxicology to Environmental Problems - The Interconnection of Law and Science," U.C. Davis, Department of Environmental Toxicology, 2000

Publications

- Frequent contributor to Stoel Rives Blogs including www.californiaenvironmentallawblog.com and www.minerallawblog.com
- "A Compliance Handbook for SB 4 - California's Well Stimulation Permitting Law" and "SB 4 Compliance Flowchart," (co-author), Stoel Rives LLP, Dec. 2013
- "California's Cap and Trade Program under AB32 - a Primer" (co-author), Stoel Rives LLP, December 2012
- "Will California's 33% Renewable Portfolio Standard Survive a Commerce Clause Challenge by Other States? A Recently Filed Colorado Case May Provide the Answer," *The Override*, Los Angeles Association of Professional Landmen, May 2011
- News Alert, "California High-Speed Rail: It's Coming Fast! The Central Valley is the Early Winner of Stimulus Funds," Nov. 22, 2010
- Comment, "Inequality Creates Exceptions: Limiting *United States v. Mendoza* to Its Policy Rationale," *U.C. Davis Law Review*, 1997

Civic Activities

- Board Member, U.C. Davis School of Law, King Hall Alumni Association Board of Directors
- President, Spinning Rod Way Neighborhood Watch, 2003-2009
- Moot Court Judge, U.C. Davis School of Law, 2002, 2004-2007

Michael N. Mills

- Alumni Representative, Distinguished Teaching Award Selection Committee, U.C. Davis School of Law, 2009
- Member, CEB Award for Excellence in Legal Research and Writing Selection Committee, U.C. Davis School of Law, 2009-2010

Thomas A. Henry

Experience

Tom Henry is a partner in the Environment, Land Use and Natural Resources group specializing in mining and oil and gas matters. As a California mining attorney, Tom's practice involves permitting, environmental review under the California Environmental Quality Act (CEQA), as well as resolving other land use, title and regulatory compliance issues. Tom's oil and gas experience involves title review, as well as land use, permitting and CEQA issues related to oil and gas development and production. Before practicing law, Tom served as a U.S. Army officer on active duty from 1982-1987.

Before joining Stoel Rives, Thomas was a partner with Downey Brand LLP in Sacramento.

Representative Work

- Represents mining, development and oil companies and other commercial and industrial project proponents on issues of CEQA compliance.
- Represents oil and gas companies in CEQA litigation, local agency oil and gas ordinances, title opinions, permitting issues and leases.
- Represents mining companies regarding environmental due diligence for mine acquisitions.
- Represents mining companies regarding California's pit backfill requirements.
- Represents mining companies in complying with the California Surface Mining and Reclamation Act and federal mining laws, including obtaining approval of mining permits and reclamation plans.
- Represents developers, vineyards and mining companies in complying with California lake and streambed alteration requirements, including negotiating Streambed Alteration Agreements.
- Represents developers and mining companies in obtaining Clean Water Act Section 404 permits for fill activities.
- Represents developers and vineyards in obtaining Clean Water Act Section 401 water quality certifications from State and Regional Water Quality Control Boards, including drafting appeals of water quality certification determinations.
- Represents mining companies in determining vested rights status.



Partner

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Education

- University of California, Davis, School of Law, J.D., 1998
- University of Texas, Austin, B.A.A., 1982

Admissions

- California

Thomas A. Henry

- Represents private project proponents in litigation regarding CEQA compliance and design review.

Professional Honors and Activities

- Listed in *Best Lawyers in America*® (currently: Oil & Gas Law), 2012-2014
- Member, California Independent Petroleum Association
- Member, Sacramento Petroleum Association
- Member, California Construction and Industrial Materials Association
- Member, Environmental Law Section, Sacramento County Bar Association
- Member, Environmental Law Section, State Bar of California
- Member, Rocky Mountain Mineral Law Foundation

Presentations

- "Getting Ready for SB 4: California's New Well Stimulation Permitting Law," Stoel Rives Seminar, Bakersfield, California, Dec. 11 2013
- "The Not So Good, the Bad and the Ugly - What Every Landman Needs to Know About Community Leases" (presenter), 31st Annual West Coast Landmen's Institute (September 2013)
- "Strategies for Complying with California's Cap & Trade Program," Kern County Bar Association, Bakersfield, California, Dec. 2012
- "Oil and Gas Exploration and Production of Private Lands in California," Infocast California Oil Summit, Long Beach, California, Dec. 2012
- "How to Use a Title Opinion," 30th Annual West Coast Landmen's Institute, Dana Point, California, Sept. 2012
- "Off or On? Examining OMR's AB 3098 Listing Procedures," California Construction and Industrial Materials Association Annual Education Conference, Monterey, California, Oct. 2011
- "CEQA -- Its Role In and Effect On the Permitting Process," 29th Annual West Coast Landmen's Institute, Santa Barbara, California, Sept. 2011
- "Regulatory Trends in California," Industrial Mineral Association-North America Annual Meeting & National Industrial Sand Association 75th Anniversary Celebration, The Lodge at Sonoma Renaissance Resort and Spa, Sonoma, California, Sept. 2011
- "Resolving Conflicts Between Oil and Gas and Renewable Energy Development," Bakersfield Association of Petroleum Landmen, Jan. 18, 2011
- "AB 32 and SB 97: California's Laws Regulating Greenhouse Gas Emissions and Climate Change and Their Related Impacts on Project Timelines and Permitting," 28th Annual West Coast Land Institute, Shell Beach, California, Sept. 23, 2010
- PITFALL - "Landman Harry's Adventure in California's Land Use Jungle," Bakersfield Association of Petroleum Landmen, Nov. 17, 2009

Thomas A. Henry

- "National Environmental Policy Act" and "Wetlands Regulations," Lorman Education Services, Zoning and Land Use in California, 2005
- "2004 Mining Law Update," American Association of Professional Landmen, 2005
- "2003 Mining Law Update," American Association of Professional Landmen, 2004
- "2002 Mining Law Update," American Association of Professional Landmen, 2003
- "Streambed Alteration Agreements and Notifications," Construction Materials Association Conference, 2003
- "How to Avoid a Prop. 65 Lawsuit," Construction Materials Association of California Operators Conference for the Construction Materials Industry, 1999

Publications

- "A Compliance Handbook for SB 4 - California's Well Stimulation Permitting Law" and "SB 4 Compliance Flowchart," (co-author), Stoel Rives LLP, Dec. 2013
- "California's Cap and Trade Program under AB32 - a Primer" (co-author), Stoel Rives LLP December 2012
- "State Supreme Court Sets Environmental Baseline" (coauthor), *The Daily Journal*, Apr. 1, 2010
- "2000 Year in Review" (coauthor), Public Lands Section, American Bar Association
- "1999 Year in Review" (coauthor), Public Lands Section, American Bar Association

Chelsea L. Huffman

Experience

Chelsea Huffman focuses her practice on natural resource and environmental law. Her experience includes counseling clients in a variety of oil and gas, mining, environmental, and water law matters. She assists clients with title review, permitting processes, Mineral Leasing Act requirements and environmental regulatory issues.

Prior to joining the firm, Chelsea was an associate at Howard & Jensen, LLC. During law school, she was a law clerk at Welborn Sullivan Meck & Tooley, P.C., a boutique oil and gas firm in Denver, Colorado, and a law clerk at the United States Attorney's Office for the District of Colorado. She also held judicial internships with the Honorable Morris Hoffman in Colorado Judicial District 2 and the Honorable Jack W. Berryhill in Colorado Judicial District 1.

Representative Work

- Prepare oil, gas and mineral title opinions, including drilling and division order title opinions.
- Advise clients on title-related issues associated with mineral leases and fee interests.
- Advise clients on passage and implementation of SB4, a new comprehensive permitting scheme which regulates well stimulation practices in California.
- Advise mining clients on compliance with California Environmental Quality Act, California Endangered Species Act and Department of Fish and Wildlife Natural Community Conservation Planning requirements and other state and federal mining-related laws.
- Represent oil and gas operators in acquisitions and divestitures involving upstream oil and gas assets.

Work Performed Prior to Joining Stoel Rives

- Assisted in the defense of Houston-based oil and gas pipeline client against rancher-landowner alleging breach of easement agreement, resulting in a favorable jury verdict.
- Assisted in litigation defending oil and gas client in dispute with joint operator of Colorado refining facility.
- Assisted in litigation representing oil and gas client in claims against a Colorado county for refusal to issue permits during drilling activities, where drilling activities complied with state regulatory requirements.



Associate

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Education

- University of Denver, Sturm College of Law, J.D., 2012
Senior Staff Editor and Author,
University of Denver Water Law Review
- The Ohio State University, B.A., 2007,
cum laude
Editor-in-Chief, *The Sentinel*

Admissions

- California
- Colorado
- North Dakota (pending)

Chelsea L. Huffman

- Counseled foreign mining company seeking local, state and federal permitting for wholly owned domestic subsidiary to begin operations in proximity to U.S. military base.
- Counseled mining company over potential litigation risks associated with aeromagnetic surveying.
- Counseled oil and gas client on forced pooling requirements for leases held on federal lands.
- Counseled oil and gas client on rules surrounding force majeure where recent changes to permitting and regulatory scheme impacted ability to continue drilling operations.
- Counseled rancher-landowner client on response to a U.S. Army Corps cease and desist order to stop draining reservoir on ranching lands.
- Counseled oil and gas client during upstream operations on complex title issue concerning whether Colorado's statute creating the overriding royalty interest retroactively applied to all mineral rights conveyances occurring prior to passage.

Professional Honors and Activities

- Member, The Association of Women in Water, Energy and Environment
- Member, Rocky Mountain Mineral Law Foundation
- Member, Bakersfield Association of Professional Landmen
- Member, Los Angeles Association of Professional Landmen
- Member, Sacramento Petroleum Association
- Member, Colorado Bar Association
- Member, Colorado Women's Bar Association
- Participant, University of Denver Alumni Outreach Program

Publications

- *A Compliance Handbook for SB 4 - California's Well Stimulation Permitting Law and SB 4 Compliance Flowchart* (co-author), Stoel Rives LLP, First Edition, Dec. 2013; Second Edition, Feb. 2014
- "Division of Oil, Gas & Geothermal Resources Issues Draft Regulations for Well Stimulation," *California Land Use Law & Policy Reporter*, Dec. 2013
- "Water—Fuel for Colorado Energy" (co-author), *University of Denver Water Law Review*, Spring 2012
- "The Public Trust Doctrine," *University of Denver Water Law Review*, Spring 2012
- "Ethics in Water Law," *University of Denver Water Law Review*, Spring 2011

Curriculum Vitae

BURTON E. GILPIN, MBA, PG, CEG, CHG

Field of Interest	General Management, Heavy Industrial
Expertise	Real-Property & Mineral Resources Development Operations and General Management Facilities & Plant Management Strategic Planning Risk Management Human Resources Management Environmental Permitting and Compliance Regulatory and Legal Compliance Engineering Geology and Hydrogeology Water Resources Management Safety & Health
Academic Background	Auburn University, Bachelor of Science in Geology, Minors, Botany and Wildlife Zoology, 1983; San Jose State University, Post Graduate Studies, Engineering Geology/Hydrogeology, 1985-1987; University of Phoenix, Master of Business Administration (MBA) with focus on Finance & Human Resources, 2000; Duke Corporate Education, Summit Program, 2012
Registrations & Certifications	Professional Geologist, California, PG #5635 Certified Engineering Geologist, California, CHG #1757 Certified Hydrogeologist, California, CHG #362 DRE Broker, California, #01857255
Professional Experience	<p>BSK Associates, Engineers and Scientists (www.bskinc.com) – Central California (2013 – Present), Principal. BSK Associates is an employee-owned Engineering firm established in Central California in 1966.</p> <ul style="list-style-type: none">• Hired in early 2013 to reorganize the Company's San Francisco Bay Area business (Livermore Branch), including re-focusing sales & business-development efforts on key clientele and market sectors, re-staffing, and implementing general operational efficiencies.• Relocated to the Company's Central Valley operations (Fresno Branch) in mid-2013 to implement similar improvements, while establishing a presence on the Central Coast.• Currently serving as the Company's Mining and Oil & Gas market lead, while continuing to provide engineering support to a broad base of industries throughout Central California and developing a presence on the Central Coast. <p>HeidelbergCement – Various positions and locations (1998-2012)</p> <p>Lehigh Hanson - Vice President, General Manager, Central California, 2007 – 2012. Have been responsible for implementing the Lehigh Hanson Strategic Plan, for three corporate entities (Calaveras Materials Inc., South Valley Materials Inc, and Hanson Aggregates), including 29 plants and more than 300 employees, within Central California (from Santa Barbara County to Calaveras County), including three major product-line materials businesses (i.e., readymix, aggregates/recycle and asphalt). Revenues for the business have been in excess of \$175 million. Participated in Lehigh's acquisition of Hanson Aggregates in 2007 by reviewing and assessing assets throughout the US, the UK and Indonesia. The \$12B acquisition was the largest in construction materials history at the time.</p>

Calaveras Materials Inc. / South Valley Materials, Inc. – Vice President, General Manager, Fresno, CA, 2003 to 2007. In this position I was responsible for implementing the Lehigh Strategic Plan at Calaveras Materials Inc. and South Valley Materials Inc, and attaining the short and long-term goals of profitability and ROIC of this business. I had overall responsibility for the three major product-line materials businesses (i.e., readymix, aggregates and asphalt) organized geographically throughout the Central Valley of California, USA; a geographic area of more than 10,000 square miles. During my tenure, revenues increased by more than 70% to more than \$115 million and pre-tax income increased by more than 150% to more than \$22 million.

South Valley Materials, Inc. – Operations Manager, Hanford, CA, 2002 to 2003. Managed the operation of seven readymix concrete plants in the southern San Joaquin Valley of California, with annual concrete production volumes of approximately 265,000 cubic yards and gross revenues of nearly \$18M. I oversaw the planning, operations, sales and management functions for the Company. Under my direction, we realized improvements in market share and operating income, and implemented definitive steps to affect quality issues, customer relations, material costs, efficiencies of personnel utilization and distribution, maintenance and delivery costs and correct deficiencies in overall maintenance.

Calaveras Materials Inc. – Area Manager Fresno County Aggregate Operations & General Services, Fresno, CA, 1998 to 2002. In that role, I was the Plant Superintendent for the Company's Pinedale Aggregate Plant, and responsible for that operation's P&L. More importantly, I played a lead role in the strategic development of aggregate operations throughout the Central California Management Unit. I led efforts to assess and acquire property, identify and evaluate reserves, develop mine and reclamation plans, foster political and public support for mine projects, and led the permitting efforts required to obtain mine entitlements. Between 1999 and 2002, I successfully completed the permitting of three aggregate sites in environmentally sensitive areas. Two sites were permitted within a three to six month period and one permit ended a four-year process.

In addition, I managed the **land-use permitting, environmental, health & safety** functions for Calaveras Materials and its sister company, South Valley Materials, Inc. In that role I developed and implemented environmental policies, including storm water and wastewater-management programs, as well as safety & health programs including Part 46 (mine training) and Part 62 (noise reduction and management). I conducted all aspects of environmental permitting, including air emissions permits, water-quality permits, fish & game permits (for disturbance of wetlands & sensitive habitats), and conditional use permits for alternative land use outside of prescribed zoning ordinances. I served as the Vice-Chair to the Safety Committee of the Construction Materials Association of California (CMAC); an organization through which, for a number of years, I taught, semi-annually, a three-day course in Noise & Dust Regulations, Sampling & Control, in conjunction with MSHA.

I served as the **Human Resources Manager** for both CMI and SVM between 1998 and 2002. I have played a key role in the development and implementation of the Company's policies and benefits program for both union and non-union employees, as well as the rollout and introduction of the Heidelberg Cement Corporate Mission. I've participated in labor relations and contract negotiations with each of the Company's several bargaining units. I also managed workers compensation claims, the costs of which decreased by approximately 75% during my years of oversight.

Dames & Moore – Managing Principal - San Francisco, CA, 1988 to 1990 and Fresno, CA, 1995 to 1998. As the Managing Principal in the Fresno office of Dames & Moore (now URS Corporation), a multi-national engineering consulting firm, I was responsible for business development, project assignments, project management and the profitable operation of the Fresno

regional branch. I managed 12 engineers and scientists working on a variety of engineering projects.

As a Certified Engineering Geologist and Certified Hydrogeologist, my technical expertise and experience included mineral-resource identification and reserves quantification, mining and reclamation planning, mine permitting, geologic hazards assessment including slope-stability analyses, water resources management, engineering risk analysis, landfill engineering, mineral exploration and geochemistry, environmental site assessment, regulatory compliance, remediation management for soil and groundwater-contaminated sites, and participation in and management of the preparation of Environmental Impact Reports (EIR).

I developed extensive project management experience for remedial investigations, including feasibility studies, risk assessment and corrective action. I managed TPCA site closures involving pesticide and metals contamination and RI/FS's for sites contaminated by industrial solvents and aromatic hydrocarbons; and managed and conducted environmental-engineering and hydrogeologic studies in support of EIRs and/or Conditional Use Permits for mining projects, petroleum exploration and production projects, highway projects and major urban projects.

BSK & Associates – Branch Manager - Fresno, CA, 1990 to 1995. Responsible for profitable operations of BSK's Fresno Branch office. BSK is a California-based geotechnical engineering and materials testing firm. Technical assignments were similar to those at Dames & Moore.

Applied GeoSystems - Consulting Geologist - Fremont, CA, 1987 to 1988. Staff and Project level geologist, I performed environmental, groundwater and engineering-geology studies for private and government entities.

E.G. & G. Continental Laboratories – Offshore Well-Site Geologist - Houston, TX, 1984 to 1985. Contracted to Exxon in the Gulf of Mexico (off-shore Texas and Louisiana) to log exploratory (wildcat) wells and drilling parameters, evaluate over-pressured drilling and formation conditions and identify oil & gas hits.

NERCO Coal Company - Consulting Mining Geologist - Evansville, IN, 1983 to 1984. While employed by NERCO, I performed coal exploration, quality assessment, reserve mapping, tonnage estimates, and long-term mining and reclamation plans for low-sulfur coal deposits along the eastern edge of the Illinois Basin in the mid-western United States.

Consulting Experience

Mining, Petroleum, Permitting and Water Resources

- Principal-in-Charge – Development of a gold mine in central California for a confidential client. Overseeing CEQA/NEPA permitting efforts and associated technical studies for a planned mine in an historic mining district. When developed, the mine will be one of the largest operations in the western United States.
- Principal-in-Charge – Confidential Oil & gas Client – Assisting client with oil & gas development and, specifically, compliance with California's new legislation, SB4, which governs well-stimulation (fracking) operations. Co-sponsored a seminar on SB4 in December 2013 with the law firm of Stoel Rives.
- Project Manager – **CalMat, Fresno County, California** - Engineering studies in support of an EIR for a gravel mine on the San Joaquin River. The project included evaluation of geology, hydrogeology and geologic hazards, significance of aggregate resources, compliance of the mining and reclamation plan with SMARA, levee stability, river morphology, flooding and sediment transport, groundwater-surface water interaction, and hazardous material assessment.

- Project Manager/Engineering Geologist – **Cold Spring Granite, Fresno County, California** - Managed and prepared revisions to the CUP Application including preparation of a new Mine and Reclamation Plan. The mine is a granite-boulder quarry located in the foothills of the Sierra Nevada Mountains, near the San Joaquin River. Aspects of the plan include waste-pile stability, erosion and revegetation, and mine and reclamation sequencing. During development of the plan, I conducted the annual site review for the mine.
- Hydrogeologist/Task Manager- **Texaco Petroleum Reservoir Mining Project, Kern County, California** - The project involved the proposed mining of a near-surface petroleum deposit in which reservoir rock has high porosity and low permeability. The source rock was to be mined and processed, and spent ore would be placed back into the excavation for reclamation. Plans at the time of the project called for the recovery of approximately 300,000,000 barrels of oil from a mine expected to measure approximately 3 miles long, 1 mile wide and 1,000 feet deep. My task was to evaluate groundwater and surface-water impacts associated with the project and manage that aspect of the permitting process.
- Consulting Hydrogeologist – **Kaweah River Rock, Tulare County, California** - Provided technical review and oversight for the groundwater portion of an EIR for an aggregate mine on the Kaweah River. The project was to involve dewatering of up to 85 vertical feet of aggregate in order to provide "dry" mining below the water table; followed by re-injection of the water downgradient of the mine. My responsibilities included reviewing the groundwater modeling and groundwater impact portions of the EIR, and then representing Tulare County in public hearings regarding the EIR.
- Hydrogeologist/Task Manager - **Elk Hills Naval Petroleum Reserve No. 1 (NPR-1), California** - In the process of petroleum reserves valuation, I prepared environmental cost estimates associated with management of wastewater and groundwater. Based on various development scenarios, volumes of co-produced water, water-flooding alternatives, and surface and subsurface disposal (injection) scenarios were considered, as well as regulatory requirements, to identify possible environmental impacts. The environmental liabilities were evaluated based on current operations and site conditions, and projected out through the life of the project. Costs of environmental liabilities were then incorporated into the value of the reserve for establishing minimum bid requirements. Divestment of the NPR-1 in Elk Hills represented the largest-ever divestiture on the part of the United States.
- Project Manager/Consultant - **Oil/Gas Well Site Screening, Kern County Oil Producer** - Managed and conducted environmental studies and assisted in the preparation of Conditional Use Permits for proposed gas development of approximately 10-square miles within the Trico Gas Field located in southwestern Tulare and southeastern Kings Counties, California. In addition, the studies were used to establish baseline environmental site conditions and current and past land-use practices prior to planned lease of selected properties for gas development. The project included hazardous-materials, biological and archaeological assessments, as well as, potential wetlands identification and biological surveys for Threatened and Endangered Species and Species of Special Concern.
- Geologist - **Highway 1 Expansion, Monterey County, California** - Provided baseline geology, geohazards assessment, and environmental characterization for an EIR for Highway 1 widening.
- Geologist - **Highway 101 Expansion, San Jose, California** - Provided baseline geology, geohazards assessment, and environmental characterization for an EIR for Highway 101 widening and improvements.

Environmental RI/FS and Site Remediation

- Various Responsibilities from Project Manager to Principal-in-Charge - **Pinedale Area TCE Contamination RI/FS and Site Remediation** - Provided management and oversight

responsibilities necessary to assess groundwater conditions on a superfund site (Cal EPA) that encompasses several hundred acres. Pump & treat systems, incorporating City of Fresno municipal water supply wells, were designed and constructed to manage, contain and capture the plume which, over two decades, has now been substantially remediated.

- Project Manager – **Kraft Foods Plant, Visalia, CA** - Soil-contamination assessment and remediation: diesel and fuel oil. Project included field investigation, chemical analyses, assessment reports, risk assessment, and selection and implementation of various remedial alternatives including in-situ bioremediation of diesel fuel, excavation and disposal, and risk analysis to support abandoning fuel oil in-place.
- Independent Quality Assurance Team (IQAT) Representative - **Fairchild/MEW Superfund Site, Mountainview, CA** - Oversaw remedial activities conducted by SMITH Environmental at the Fairchild Semiconductor site. Remedial activities comprised primarily excavation, vapor extraction and groundwater extraction for cleanup of volatile chlorinated compounds.

Landfills

- Project Manager - **Pinedale Area TCE Contamination RI/FS and Landfill SWAT** - Engineering Geologist-of-Record for a SWAT performed on an abandoned Army and privately owned and operated landfill on the property. Activities included refuse characterization, soil gas, groundwater and vadose-zone assessment. The landfill investigation was instrumental in assessing possible source areas and soil-and interim groundwater-remedial measures.
- Project Manager - **Fresno Sanitary Landfill, Design of Source Control Operable Unit** - The project, performed under regulatory oversight of the US EPA, included consulting services related to the Gas Control System, the Gas Treatment System, the Landfill Cover Design, Surface-Water Management, and geotechnical investigation associated with relocation of an irrigation-supply pipeline traversing the property. Several cover borrow sources were evaluated on the basis of soil type, quantity and transportation costs.
- Project Manager/Senior Geologist - **American Avenue Landfill, Fresno County** - Provided oversight for the selection, mining and transportation of clay material for a landfill liner from a remote borrow source. Several thousand cubic yards of clay material were taken from the borrow source and the source area was backfilled with material excavated from the landfill module. The geology of the base of the landfill was mapped prior to placing the clay liner.
- Project Quality Assurance - **Various Tulare County Landfills, Regulatory Compliance** - Provided technical review and oversight for the preparation of Compliance Reviews for Tulare County landfills followed by preparation of various regulatory compliance plans for several Tulare County Landfills, including Detection Monitoring and Financial Assurance, Engineering Feasibility, Evaluation Monitoring Programs, and Justification for Concentration Limits Greater Than Background.

Professional Associations

California Independent Petroleum Association (CIPA)
Western States Petroleum Association (WSPA)
Construction Materials Association of California (CMAC, now CalCIMA), Past Board Member & Executive Committee
Groundwater Resources Association of California – Charter Regular Member

Publications

Engineering Risk Analyses of Sand and Gravel Operations, Annandale, G.W., Gilpin, B.E., 1992, Proceedings of Risk Assessment Management Issues in Environmental Planning of Mines, Society for Mining, Metallurgy and Exploration.