



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

For Meeting Date: February 10, 2011

Agenda Item No. 8: Consideration for Exemption from the Requirements of the Surface Mining and Reclamation Act (SMARA, Public Resources Code Section 2710 et seq.), Pursuant to Section 2714(f), for the Ojai Oil Company Project, County of Ventura.

INTRODUCTION: The Surface Mining and Reclamation Act of 1975 (SMARA) allows for a one-time exemption for certain surface mining operations should the State Mining and Geology Board (SMGB) determine the operation to be of an infrequent nature and involve only minor surface disturbances. The Ojai Oil Company on November 24, 2010, has submitted a request for a one-time exemption from SMARA for the removal of approximately 5,000 tons of large boulders currently comprising 12 stockpiles from the 50.82 acre oil field site located in the County of Ventura. Ojai Oil Company maintains 13 operational oil wells on the site, and with the removal of the boulders, which is anticipated to take approximately one year, will allow for a 7.3 acre expansion of an existing olive grove. The SMGB has the statutory authority to consider and grant such an exemption under certain conditions.

STATUTORY AND REGULATORY AUTHORITY AND CONSIDERATIONS: Public Resources Code (PRC) Section 2735 defines surface mining operations and states:

“Surface mining operations” means all, or any part of, the process involved in the mining of minerals on mined lands by removing overburden and mining directly from the mineral deposits, open-pit mining of minerals naturally exposed, mining by the auger method, dredging and quarrying, or surface work incident to an underground mine. Surface mining operations shall include, but are not limited to:

- (a) Inplace distillation or retorting or leaching.*
- (b) The production and disposal of mining waste.*
- (c) Prospecting and exploratory activities.”*

SMARA allows exemptions pursuant to PRC Section 2714(d) when:

“Prospecting for, or the extraction of, minerals for commercial purposes and the removal of overburden in total amounts of less than 1,000 cubic yards in any one location of one acre or less.”



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SMARA allows for a one-time exemption pursuant to Article 1 of Public Resources Code (PRC), Division 2, Chapter 9, Section 2714(f), which states:

“Any other surface mining operations that the board, as defined by Section 2001, determines to be of an infrequent nature and which involve only minor surface disturbances.”

California Code of Regulations (CCR) Section 3501 defines a borrow pit as:

“Excavations created by the surface mining of rock, unconsolidated geologic deposits or soil to provide material (borrow) for fill elsewhere.”

Before exemptions from the provisions of SMARA are granted, the SMGB, pursuant to SMARA and SMGB Resolution No. 93-6, considers the following four criteria:

Criteria 1 - Compliance with the California Environmental Quality Act

(CEQA): Pursuant to PRC Section 2712(a), has an environmental review been completed for the proposed activity either separately or as part of a larger project? PRC Section 2712(a) states *“It is the intent of the Legislature to create and maintain an effective and comprehensive surface mining and reclamation policy with regulation of surface mining operations so as to assure that: (a) Adverse environmental effects are prevented or minimized and that mined lands are reclaimed to a usable condition which is readily adaptable for alternative land uses.”*

Criteria 2 - Local authority: Pursuant to PRC Sections 2715 and 2770(a), is the proposed activity permitted or otherwise authorized by a local lead agency? PRC Section 2715 states *“No provision of this chapter or any ruling, requirement, or policy of the board is a limitation on any of the following:*

(a) On the police power of any city or county or on the power of any city or county to declare, prohibit, and abate nuisances.

(b) On the power of the Attorney General, at the request of the board, or upon his own motion, to bring an action in the name of the people of the State of California to enjoin any pollution or nuisance.

(c) On the power of any state agency in the enforcement or administration of any provision of law which it is specifically authorized or required to enforce or administer.

(d) On the right of any person to maintain at any time any appropriate action for relief against any private nuisance as defined in Part 3 (commencing with Section 3479) of Division 4 of the Civil Code or for any other private relief.

(e) On the power of any lead agency to adopt policies, standards, or regulations imposing additional requirements on any person if the requirements do not prevent the person from complying with the provisions of this chapter.



(f) On the power of any city or county to regulate the use of buildings, structures, and land as between industry, business, residents, open space (including agriculture, recreation, the enjoyment of scenic beauty, and the use of natural resources), and other purposes.”

PRC Section 2770(a) states *“Except as provided in this section, no person shall conduct surface mining operations unless a permit is obtained from, a reclamation plan has been submitted to and approved by, and financial assurances for reclamation have been approved by, the lead agency for the operation pursuant to this article.”*

Criteria 3 - End use of the mining or borrow site: Pursuant to PRC Sections 2711(b) and 2712, is the end use or proposed end use of property on which the activity is proposed to occur defined? PRC Section 2711(b) states *“The Legislature further finds that the reclamation of mined lands as provided in this chapter will permit the continued mining of minerals and will provide for the protection and subsequent beneficial use of the mined and reclaimed land.”*

PRC Section 2712 states *“It is the intent of the Legislature to create and maintain an effective and comprehensive surface mining and reclamation policy with regulation of surface mining operations so as to assure that:*

(a) Adverse environmental effects are prevented or minimized and that mined lands are reclaimed to a usable condition which is readily adaptable for alternative land uses.

(b) The production and conservation of minerals are encouraged, while giving consideration to values relating to recreation, watershed, wildlife, range and forage, and aesthetic enjoyment.

(c) Residual hazards to the public health and safety are eliminated.”

Criteria 4 - Impacts of the operation on commercial activities: Pursuant to PRC Section 2714(b), have the potential impacts on commercial interests resulting from the proposed activity been considered? PRC Section 2714(b) states

“Onsite excavation and onsite earthmoving activities that are an integral and necessary part of a construction project that are undertaken to prepare a site for construction of structures, landscaping, or other land improvements, including the related excavation, grading, compaction, or the creation of fills, road cuts, and embankments, whether or not surplus materials are exported from the site, subject to all of the following conditions:

(1) All required permits for the construction, landscaping, or related land improvements have been approved by a public agency in accordance with



applicable provisions of state law and locally adopted plans and ordinances, including, but not limited to, Division 13 (commencing with Section 21000).

(2) The lead agency's approval of the construction project included consideration of the onsite excavation and onsite earthmoving activities pursuant to Division 13 (commencing with Section 21000).

(3) The approved construction project is consistent with the general plan or zoning of the site.

(4) Surplus materials shall not be exported from the site unless and until actual construction work has commenced and shall cease if it is determined that construction activities have terminated, have been indefinitely suspended, or are no longer being actively pursued."

BACKGROUND: On November 24, 2010, the Ojai Oil Company submitted a request for a one-time exemption from SMARA for the removal of approximately 5,000 tons of large boulders currently comprising 12 stockpiles from the 50.82 acre oil field site located in the County of Ventura (Exhibit A). The boulders were derived from past farming related activities within a former river bed. An Agricultural Mining Permit issued in 2004, would have allowed removal of the rocks, but the permit expired prior to the boulders being removed (Exhibit B). A one-year extension was granted in 2005, which expired in June of 2006. Ojai Oil Company is now in the process of acquiring another Agricultural Mining Permit to clear an additional seven acres approximately, to plant olive trees.

Ojai Oil Company maintains 13 operational oil wells on the site, and with the removal of the boulders, which is anticipated to take approximately one year, will allow for a 7.3 acre expansion of an existing olive grove. The material is anticipated to be used as part of a creek wall replacement project, situated about four miles from the site, and which is funded by a grant from the Resource Conservation Service.

DISCUSSION: General threshold criteria triggering SMARA is discussed in PRC Section 2714(d), which indicates that SMARA does not apply to operations where "*Prospecting for, or the extraction of, minerals for commercial purposes where the removal of overburden or mineral product total less than 1,000 cubic yards in any one location, and the total surface area disturbed is less than one acre.*" In this case, the stockpiled material is deemed a borrow pit, and the removal of 5,000 cubic yards of material is subject to SMARA, unless exempted by the SMGB pursuant to SMARA Section 2714(f).

It is recognized that not all surface mining operations are an efficient "fit" under SMARA, and that many projects of limited size, duration, economic and environmental impact would be prevented, delayed, or rendered uneconomic if the requirements of SMARA were fully applied. To address these special situations, SMARA provides the SMGB with authority under PRC Section 2714(f) to grant exemptions under specific conditions when the proposed activity is of an infrequent nature and involves only minor surface disturbance.



The proposed project 1) exceeds SMARA's minimum thresholds by disturbing more than one acre of land and 1,000 cubic yards of material for commercial purposes. However, one-time exemptions have been granted by the SMGB in the past in instances where such thresholds have been significantly exceeded, but not typically when materials are being extracted for export and commercial gain.

Exemption Criteria: The SMGB must contemplate four specific criteria, as discussed above, in considering granting a one-time exemption:

Criteria No. 1: Pursuant to PRC Section 2712(a), has an environmental review been completed on the proposed activity either separately or as part of a larger project?

Finding No. 1: Currently, the owner is on the process of acquiring an Agricultural Mining Permit from the County of Ventura, since its previous permit has expired. This permit is a ministerial permit, and exempt from the CEQA.

Criteria No. 2: Pursuant to PRC Sections 2715 and 2770(a), is the proposed activity permitted or otherwise authorized by a local lead agency?

Finding No. 2: The County of Ventura is being requested to consider granting a new Agricultural Mining Permit, since the previous permit has expired. Material removal is anticipated to be subject to the requirements under this permit.

Criteria No. 3: Pursuant to PRC Sections 2711(b) and 2712, is the end use or proposed end use of property on which the proposed activity is to occur defined?

Finding No. 3: The current use of the materials stockpiled is agricultural (i.e., olive grove), and is consistent with the existing zoning and land use designation.

Criteria No. 4: Pursuant to PRC Sections 2714(b), have the potential impacts on commercial interests resulting from the proposed activity been considered?

Finding No. 4: The material is anticipated to be used in a creek wall replacement project, situated about four miles from the site, and which is funded by a grant from the Resource Conservation Service. The second nearest location for suitable material is located approximately 35 miles from the site, at the base of the Conejo Grade in the City of Camarillo. Use of this



material would result in the traversing of three highways, two cities, and secondary roads, with an increase environmental impact.

CONSIDERATIONS BEFORE THE SMGB: The Executive Officer can deny a one-time exemption request if, upon review, the request does not meet the criteria set forth in SMGB Resolution No. 93-6. However, such a matter can also be placed before the SMGB if 1) a request is made by one SMGB member; 2) the Executive Officer cannot come to a clear consensus; or 3) if controversy arises surrounding the request.

In cases when a request comes before the SMGB, the SMGB can grant a one-time exemption on a case-by-case basis. Prior to granting such exemptions, the SMGB considers, and must assure, that the following criteria have been fully addressed:

- 1) Compliance with the California Environmental Quality Act (CEQA);
- 2) Local authority;
- 3) End use of the mining or borrow site; and
- 4) Impacts of the operation on commercial activities.

EXECUTIVE OFFICER'S RECOMMENDATION: The proposed activity is subject to SMARA. It is the Executive Officer's conclusion that the one-time exemption request does meet 1) the statutory requirement that the project be of an infrequent nature, and 2) the SMGB's criteria for consideration of such exemptions pursuant to PRC Section 2714(f). Based on the information before SMGB staff, and analysis and findings set forth above, it is the Executive Officer's recommendation that the SMGB conditionally grant the request for a one-time exemption for this proposed project, pending acquisition of a new Agricultural Mine Permit, and conduct of material extraction activities in a manner in compliance with all requirements and permit conditions set forth by the County of Ventura.

SUGGESTED SMGB MOTION:

To deny the request for a one-time exemption:

Mr. Chairman, in light of the information before the SMGB today, I move that the SMGB find that the project as proposed for the Ojai Oil Company Site, and as described in this report and its exhibits, is subject to the requirements of SMARA, and that the SMGB deny a one-time exemption from SMARA for this project under its authority provided by Public Resources Code Section 2714(f).



Or,

To grant the request for a one-time exemption:

Mr. Chairman, in light of the information before the SMGB today, I move that the SMGB find that the project as proposed for the Ojai Oil Company Site, and as described in this report and its exhibits, is subject to the requirements of SMARA, but that the SMGB conditionally grant a one-time exemption from SMARA for this project under its authority provided by Public Resources Code Section 2714(f), pending acquisition of a new Agricultural Mine Permit, and conduct of material extraction activities in a manner in compliance with all requirements and permit conditions set forth by the County of Ventura.

Respectfully submitted:

Stephen M. Testa
Executive Officer



Exhibit A: Ojai Oil Company Request Documentation

Exhibit B: Agricultural Mining Permit

