

**MEMORANDUM OF AGREEMENT  
AMONG THE  
DEPARTMENT OF FISH AND GAME,  
STATE WATER RESOURCES CONTROL BOARD,  
AND  
DEPARTMENT OF CONSERVATION  
DIVISION OF OIL, GAS, AND GEOTHERMAL RESOURCES**

**General**

The purpose of this Memorandum of Agreement (MOA) is to outline the procedures for modifying notification requirements for onshore drilling and production oil spills. Through the Department of Conservation, Division of Oil, Gas, and Geothermal Resources (Division) field rule process, a coordinated approach among the Department of Fish and Game (DFG), State Water Resources Control Board (SWRCB), and the Division, will result in rules establishing site-specific notification thresholds for oil spills, while satisfying the statutory obligations of the three agencies.

Current law and regulation establish emergency notification requirements for oil spills associated with onshore drilling and production operations. Because the requirements are statewide in scope, the general reporting volumes imposed for all oil fields may not correlate with actual or potential risk to the environment, including fish and wildlife as defined by section 711.2 of the Fish and Game Code, beneficial uses of the waters of the State, or public health and safety.

A reportable quantity for oil spills associated with onshore drilling and production operations that does not pass into or threaten waters of the state, shall consist of spills to land of one (1) barrel (42 gallons) or more, unless modified by field rule, or any amount reaching waters of the State.

**Procedures**

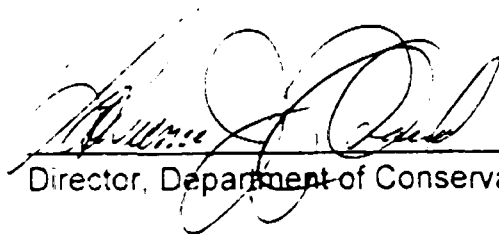
1. **Field Rule Permit:** An operator may apply to the Division for, or any of the three agencies may initiate, a field rule to modify notification volumes on a field-by-field basis that would be protective of the environment, as defined above under **General**. Data to be submitted by a field-rule proponent shall include, but not be limited to, the characteristics of the oil, produced water/oil ratios, soil types, distance to nearest surface waters, depth to ground water, distance to critical habitats and/or endangered species, types of containment structures installed, and any cumulative effects of prior spills.

2. Agency Review and Consultation: During review of the application, the Division, SWRCB, and DFG shall confer with one another and may request additional data, as necessary, to support a proposal to initiate or modify the notification threshold requirement for spills associated with onshore drilling and production operations that will not cause risk to the environment, as defined above under General.
3. Public Notification: The Division shall provide adequate public notice during the development of a field rule that establishes spill-notification thresholds. At a minimum, the Division shall provide a 15-day public comment period. If it is determined that a public hearing is necessary, public notice shall be provided at least 30 days prior to the public hearing.
4. Rule Preparation and Issuance: After the public comment period is completed and the proposed field rule is approved by the three agencies, the proposed field rule will be adopted and administered by the Division.
5. Field Rule Revision: A field rule revision may be necessary when the Division, SWRCB, or DFG has determined that the established reporting threshold may endanger the environment, as defined above under General. A petition for modification or change to a field rule may be initiated by the operator or any of the three parties.
6. Dispute Resolution: The three agencies agree that, in the event a dispute concerning this agreement arises which cannot be settled among the agencies, the executive officer or director of each agency shall select an independent third party arbitrator to resolve the dispute.
7. Meetings: The three agencies agree that they will meet no less than once every six months to discuss the implementation of this agreement.
8. Annual Summary: The three agencies agree that they will prepare an annual summary of all field rules adopted pursuant to the process outlined in this agreement.

Review, Modification, or Termination of this Agreement

- 1. Review: The Division, SWRCB, and DFG shall conduct a review of this MOA every five years, or at other times as appropriate, to ensure that the agreement is fulfilling its intended purposes.
- 2. Modification: **This agreement may be modified upon** notice by any party, to ensure consistency with State or Federal statutes or regulations, or for any other purpose mutually agreed upon.
- 3. Termination: This agreement may be terminated by notice of any of the three parties.

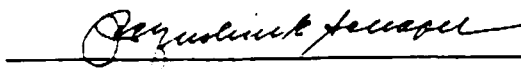
Nothing in this agreement is meant to preclude any of the parties from enforcing particular regulations that have not been modified by the field rule process.

  
 \_\_\_\_\_  
 Director, Department of Conservation

11/23/97  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Executive Director, State Water  
 Resources Control Board

2/20/97  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Director of Fish and Game

5/29/97  
 \_\_\_\_\_  
 Date