

January 4, 2017

Governor Jerry Brown
c/o State Capitol, Suite 1173
Sacramento, CA 95814

RE: Aquifer Exemption Shut-in Deadlines

Dear Governor Brown:

We are aware of the process that the Division of Oil, Gas and Geothermal Resources, together with the State Water Resources Control Board and the U.S. Environmental Protection Agency, has undertaken to update the aquifer exemption boundaries for more than 40 oil fields throughout California. While we appreciate the importance and magnitude of this task, the agencies' collective inability to complete this process in a timely manner threatens the economic livelihood of Kern County, which has already suffered in recent years due to worldwide low market conditions in the oil and gas industry.

As you know, Kern County is home to the majority of the state's oil production and operates under some of the strictest environmental regulations in the world. A decline in the oil and gas industry has resulted in significant job loss and less tax revenue to fund vital local programs. All of this is compounded by the fact that demand for services has increased due to this economic slowdown.

The damage to our economy will further deepen if oil production shuts down because the boundaries are not updated prior to the February 15, 2017 deadline. Some oil fields were subject to an even earlier deadline of December 31, 2016. In Kern County alone, we stand to lose at least 60,000 barrels per day of production if the Aquifer Exemption process is not completed on time. This would have disastrous impacts on our County as this loss would result in a \$1.4 to 2.8 billion hit to our economy.

We urge the Division of Oil, Gas and Geothermal Resources, the State Water Resources Control Board, and the federal Environmental Protection Agency to prioritize the review of these Aquifer Exemption applications to ensure fully permitted businesses can continue to operate responsibly, while providing thousands of jobs and significant tax revenue for our County. If administrative resources are insufficient to complete these reviews by the deadlines, we urge you to exercise your authority to extend the deadlines so that operations may continue without disruption, and without risk of enforcement, pending completion of the review process.

Sincerely,



A handwritten signature in blue ink, appearing to read "N. Ortiz".

Nick Ortiz, President/CEO



A handwritten signature in blue ink, appearing to read "Michael Turnipseed".

Michael Turnipseed,
Executive Director



A handwritten signature in black ink, appearing to read "Matt Towery".

Matt Towery, President



A handwritten signature in black ink, appearing to read "Richard Chapman".

Richard Chapman, President & CEO

cc: Division of Oil, Gas & Geothermal Resources
State Water Resources Control Board



Mojave Chamber of Commerce
A handwritten signature in black ink, appearing to read "Catherine Mijares".
Catherine Mijares, President