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17 *Attorneys for Plaintiff*

18 UNITED STATES DISTRICT COURT
19 FOR THE CENTRAL DISTRICT OF CALIFORNIA
20 WESTERN DIVISION

21 CENTER FOR BIOLOGICAL
22 DIVERSITY,

23 Plaintiff,

24 v.

25 BUREAU OF OCEAN ENERGY
26 MANAGEMENT, *et al.*,

27 Defendants.

No. 2:15-cv-01189-PSG (FFMx)

SETTLEMENT AGREEMENT

Date: N/A

Time: N/A

Courtroom No. 880, Roybal Courthouse

Hon. Philip S. Gutierrez

1 Plaintiff Center for Biological Diversity (“Center”) and Federal Defendants
2 Bureau of Ocean Energy Management (“BOEM”); Bureau of Safety and
3 Environmental Enforcement (“BSEE”); U.S. Department of the Interior; Sally
4 Jewell, Secretary of the Interior; Abigail Hopper, Director of BOEM; Joan
5 Barminski, Pacific Regional Director of BOEM; Brian Salerno, Director of BSEE;
6 and John Keith, Acting Pacific Regional Director of BSEE, stipulate to settlement
7 of this action on the terms set forth below for purposes of settling the claims filed
8 by Plaintiff in the above-captioned litigation without further litigation and for no
9 other purpose. Plaintiff and Federal Defendants (“Parties”) by and through their
10 undersigned counsel, state as follows:

11 WHEREAS, the Center filed the above-captioned case on February 19,
12 2015, alleging Federal Defendants are in violation of the Administrative Procedure
13 Act, 5 U.S.C. §§ 551 *et seq.*, the National Environmental Policy Act, 42 U.S.C. §§
14 4321, *et seq.*, the Outer Continental Shelf Lands Act, 43 U.S.C. §§ 1331, *et seq.*,
15 and the Coastal Zone Management Act, 16 U.S.C. §§ 1451, *et seq.*, in connection
16 with Federal Defendants’ decisions to authorize the use of certain well-stimulation
17 practices at offshore oil and gas operations on the Pacific Outer Continental Shelf
18 (“OCS”).

19 WHEREAS, Plaintiff and Federal Defendants, through their authorized
20 representatives, without any admission of legal fault or error, and without final
21 adjudication of the issues of fact or law with respect to Plaintiff’s claims, have
22 reached a settlement resolving this action;

23 WHEREAS, Plaintiff and Federal Defendants agree that settlement of this
24 action in this manner is in the public interest and is an appropriate way to resolve
25 the dispute between them;

26 NOW THEREFORE, Plaintiff and Federal Defendants hereby stipulate as
27 follows:

28 *Center for Biological Diversity v. Bureau of Ocean Energy Management, et al.*, No. 2:15-cv-01189-PSG (FFMx)
Settlement Agreement

1 involving hydraulic-fracturing operations or acid well stimulation on the Pacific
2 OCS. For purposes of this Settlement Agreement subpart I.C., the terms “well
3 stimulation treatment,” “hydraulic fracturing,” “acid well stimulation,” and “acid
4 volume threshold” shall be defined as follows:

5 1. *Well Stimulation Treatment* – means any treatment of a well
6 designed to enhance oil and gas production or recovery by increasing
7 the permeability of the formation. Well stimulation treatments
8 include, but are not limited to, hydraulic fracturing treatments
9 and acid well stimulations. Well stimulation treatment does not
10 include routine well cleanout work; routine well maintenance; routine
11 removal of formation damage due to drilling; bottom hole pressure
12 surveys; routine activities that do not affect the integrity of the well or
13 the formation; removal of scale or precipitate from the perforations,
14 casing, or tubing; a gravel pack treatment that does not exceed the
15 formation fracture gradient; or a treatment that involves
16 emplacing acid in a well and that uses a volume of fluid that is less
17 than the Acid Volume Threshold and is below the formation fracture
18 gradient.

19 a. *Hydraulic Fracturing* – is a well stimulation treatment
20 that, in whole or in part, includes the pressurized injection of
21 hydraulic fracturing fluid or fluids into an underground
22 geologic formation in order to fracture or with the intent to
23 fracture the formation, thereby causing or enhancing the
24 production of oil or gas from a well;

25 b. *Acid Well Stimulation* – means a well stimulation
26 treatment that uses, in whole or in part, the application of one or
27 more acids to the well or underground geologic formation.

