# **4 The Law of Pooling and Unitization, 3rd Edition § 30.05C**

***The Law of Pooling and Unitization, 3rd Edition* > *CHAPTER 30 State Statutes***

**§ 30.05C California *Oil* & Gas Wells Act**

Unless the context otherwise requires, the definitions hereinafter set forth shall govern the construction of this division.

“Department,” in reference to the government of this state, means the Department of Conservation.

“Division,” in reference to the government of this state, means the Geologic Energy Management Division in the Department of Conservation, otherwise “division” means Division 3 (commencing with Section 3000) of the Public Resources Code.

“Director” means the Director of Conservation.

“Supervisor” means the State ***Oil*** and Gas Supervisor.

“Person” includes any individual, firm, association, corporation, or any other group or combination acting as a unit.

“***Oil***” includes petroleum, and “petroleum” includes ***oil***.

“Gas” means any natural hydrocarbon gas coming from the earth.

1. “Well” means any ***oil*** or gas well or well for the discovery of ***oil*** or gas; any well on lands producing or reasonably presumed to contain ***oil*** or gas; any well drilled for the purpose of injecting fluids or gas for stimulating ***oil*** or gas recovery, repressuring or pressure maintenance of ***oil*** or gas reservoirs, or disposing of waste fluids from an ***oil*** or gas field; any well used to inject or withdraw gas from an underground storage facility; or any well drilled within or adjacent to an ***oil*** or gas pool for the purpose of obtaining water to be used in production stimulation or repressuring operations.
2. “Prospect well” or “exploratory well” means any well drilled to extend a field or explore a new, potentially productive reservoir.
3. “Active observation well” means a well being used for the sole purpose of gathering reservoir data, such as pressure or temperature in a reservoir being currently produced or injected by the operator. For a well to be an active observation well, the operator shall demonstrate to the division’s satisfaction that the well fulfills a need for gathering reservoir data, and the operator shall provide the division with a summary report of the type of data collected at least annually or as requested by the division.
4. “Idle well” means any well that has had 24 consecutive months of not either producing ***oil*** or natural gas, producing water to be used in production stimulation, enhanced ***oil*** recovery, or reservoir pressure management, or being used for injection. For the purpose of determining whether a well is an idle well, production or injection is subject to verification by the division. An idle well continues to be an idle well until it has been properly abandoned in accordance with Section 3208 or it has been shown to the division’s satisfaction that, since the well became an idle well, the well has for a continuous six-month period either maintained production of ***oil*** or natural gas, maintained production of water used in production stimulation, enhanced ***oil*** recovery, or reservoir pressure management, or been used for injection.
5. “Long-term idle well” means any well that has been an idle well for eight or more years.

“Operator” means a person who, by virtue of ownership, or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility.

“Production facility” means any equipment attendant to ***oil*** and gas production or injection operations including, but not limited to, tanks, flowlines, headers, gathering lines, wellheads, heater treaters, pumps, valves, compressors, injection equipment, and pipelines that are not under the jurisdiction of the State Fire Marshal pursuant to *Section 51010 of the Government Code*.

1. **upervisor coordination with other state agencies and entities**
2. The purposes of this division include protecting public health and safety and environmental quality, including reduction and mitigation of greenhouse gas emissions associated with the development of hydrocarbon and geothermal resources in a manner that meets the energy needs of the state.
3. The supervisor shall coordinate with other state agencies and entities described in subdivision (f) of Section 38501 of the Health and Safety Code in furtherance of the goals of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) and to help support the state’s clean energy goals.

The provisions of this division apply to any land or well situated within the boundaries of an incorporated city in which the drilling of ***oil*** wells is now or may hereafter be prohibited, until all wells therein have been abandoned as provided in this chapter.

1. **powers of directors and supervisors**

This division shall be liberally construed to meet its purposes, and the director and the supervisor, acting with the approval of the director, shall have all powers which may be necessary to carry out the purposes of this division.

“District” means an ***oil*** and gas district as provided for in Section 3100.

1. **gas; category determinations; adoption of guidelines**

For the purpose of implementing Section 503 of the Natural Gas Policy Act of 1978, the supervisor may make the determinations entrusted to state agencies having regulatory jurisdiction with respect to the production of natural gas. Such determinations shall be made pursuant to procedures prescribed in guidelines adopted by the supervisor.

1. **underground personal property.**

For purposes of this chapter, abandoned underground personal property, including a well, of an operator shall become the property of the mineral interest owner when the operator loses the right to remove the personal property under common law or under a lease or any other agreement that initially gave the operator the right to drill, operate, maintain, or control the well. In that case, in accordance with paragraph (3) of subdivision (c) of Section 3237, the mineral interest owner shall be held jointly liable for the well if, in the lease or other conveyance, the mineral interest owner retained a right to control the well operations that exceeds the scope of an interest customarily reserved in a lease or other conveyance in the event of default.

For the purposes of this chapter, the state is divided into six districts, the boundaries of which shall be fixed by the director.

1. **s**

The supervisor shall appoint one chief deputy and at least one district deputy for each of the districts provided for in this chapter, and shall prescribe their duties.

1. **.]**
2. **ations**

The chief deputy shall be a competent engineer or geologist, registered in the state, and experienced in the development and production of ***oil*** and gas.

1. **fications**

Each district deputy shall be a competent engineer or geologist, preferably registered in the state, and experienced in the development and production of ***oil*** and gas.

1. **tion; office hours**

An office under the supervision of a district deputy may be maintained in each district. The office shall be conveniently accessible to the ***oil*** and gas operators in the district.

1. ***prevention of waste and damage; development of oil and gas resources; recovery operations***
2. The supervisor shall so supervise the drilling, operation, maintenance and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities attendant to ***oil*** and gas production, including pipelines not subject to regulation pursuant to Chapter 5.5 (commencing with Section 51010) of Part 1 of Division 1 of Title 5 of the Government Code that are within an ***oil*** and gas field, so as to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground ***oil*** and gas deposits from infiltrating water and other causes; loss of ***oil***, gas, or reservoir energy, and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances.
3. The supervisor shall also supervise the drilling, operation, maintenance, and abandonment of wells so as to permit the owners or operators of the wells to utilize all methods and practices known to the ***oil*** industry for the purpose of increasing the ultimate recovery of underground hydrocarbons and which, in the opinion of the supervisor, are suitable for such purpose in each proposed case. To further the elimination of waste by increasing the recovery of underground hydrocarbons it is hereby declared as a policy of this state that the grant in an ***oil*** and gas lease or contract to a lessee or operator of the right or power, in substance, to explore for and remove all hydrocarbons from any lands in the state, in the absence of an express provision to the contrary contained in such lease or contract, is deemed to allow the lessee or contractor or his successors or assigns, to do what a prudent operator using reasonable diligence would do, having in mind the best interests of the lessor, lessee and the state, in producing and removing hydrocarbons, including but not limited to the injection of air, gas, water or other fluids into the productive strata, the application of pressure heat or other means for the reduction of viscosity of the hydrocarbons, the supplying of additional motive force, or the creating of enlarged or new channels for the underground movement of hydrocarbons into production wells, when such methods or processes employed have been approved by the supervisor; provided, however, nothing contained in this section imposes a legal duty upon such lessee or contractor, his successors or assigns, to conduct such operations.
4. The supervisor may require an operator to implement a monitoring program, designed to detect releases to the soil and water, including groundwater and surface water, for above ground ***oil*** production tanks and facilities.
5. To best meet ***oil*** and gas needs in this state, the supervisor shall administer this division so as to encourage the wise development of ***oil*** and gas resources.
6. ***funding***

Acting with the approval of the director, the supervisor may annually expend, from the amount appropriated to the division, up to ten thousand dollars ($10,000) to support activities at the West ***Kern*** ***Oil*** Museum.

1. ***of oil and gas data by deputies; preparation of maps and accessories***

A district deputy in each district, designated by the supervisor, shall collect all necessary information regarding the ***oil*** and gas wells in the district, with a view to determining the presence and source of water in the ***oil*** sands and the location and extent of strata bearing water suitable for irrigation or domestic purposes that might be affected. He shall prepare maps and other accessories necessary to determine the presence and source of water in the ***oil*** sands and the location and extent of strata bearing water suitable for irrigation or domestic purposes or surface water suitable for such purposes. This work shall be done with the view to advising the operators as to the best means of protecting the ***oil*** and gas sands and the waterbearing strata and surface water, and with a view to aiding the supervisor in ordering tests or repair work at wells. All this data shall be kept on file in the office of the district deputy of the respective district.

1. **visor; contents**

On or before the first day of October of each year the supervisor shall make public, for the benefit of all interested persons, a report in writing showing:

1. The total amounts of ***oil*** and gas produced in each county in the state during the previous calendar year.
2. The total cost of the division for the previous fiscal year.
3. The total amount delinquent and uncollected from any assessments or charges levied pursuant to this chapter.

The report shall also include such other information as the supervisor deems advisable.

1. **e to public; Updates to Assembly and Senate**
2. On or before July 1, 2026, the supervisor shall make all public information collected or maintained by the division, with priority given to well records, well logs, notices of intention, supplementary notices, field reports, inspection reports, correspondence, and other materials, readily available to the public on the division’s internet website, except well records required to be held as confidential information pursuant to *Section 3234*. All online materials shall be organized by well, operator, or project, and searchable.
3. On or before July 1, 2024, the supervisor shall make all notices of violation and orders of the supervisor readily available to the public on the division’s internet website.
4. The supervisor shall make continuous progress towards meeting the requirements of subdivision (a) and the materials readily available to the public online shall steadily increase. Priority shall be given to public information regarding well records, well logs, notices of intention, notices of violation, supplementary notices, field reports, inspection reports, and correspondence previously available on the division’s internet website and documents associated with wells that have not been plugged and abandoned.
5. The supervisor shall, commencing July 1, 2023, provide an annual update to the Assembly Committee on Natural Resources and the Senate Committee on Natural Resources and Water on progress made toward meeting the requirements of subdivision (a).
6. The requirement for submitting a report imposed under paragraph (1) is inoperative on July 1, 2027, pursuant to Section 10231.5 of the Government Code.
7. **isor; sale; deposit of proceeds**

The supervisor may publish any publications, reports, maps, or other printed matter relating to ***oil*** and gas, for which there may be public demand. If these publications, reports, maps, or other printed matter are sold, they shall be sold at cost, and the proceeds shall be deposited to the credit of the ***Oil***, Gas, and Geothermal Administrative Fund.

1. ***al Administrative Fund; creation; deposits***

All money paid to the Treasurer pursuant to Article 7 (commencing with Section 3400) shall be deposited to the credit of the ***Oil***, Gas, and Geothermal Administrative Fund, which is hereby established in the State Treasury, for expenditure as provided in Section 3401.

1. **pair work**
2. All money received in repayment of repair work done as provided in this chapter shall be returned and credited to the ***Oil***, Gas, and Geothermal Administrative Fund for expenditure as provided in Section 3401.
3. All miscellaneous revenues from ***oil*** and gas wells and from real and personal property acquired by the supervisor in the course of carrying out this chapter shall be credited to the ***Oil***, Gas, and Geothermal Administrative Fund for expenditure as provided in Section 3401.
4. **on of building standards—duration of existing standards**

Notwithstanding any other provision of this code or of law and except as provided in the State Building Standards Law, Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, on and after January 1, 1980, the supervisor or the Division of ***Oil*** and Gas shall not adopt nor publish a building standard as defined in Section 18909 of the Health and Safety Code unless the provisions of Sections 18930, 18933, 18938, 18940, 18943, 18944, and 18945 of the Health and Safety Code are expressly excepted in the statute under which the authority to adopt rules, regulations, or orders is delegated. Any building standard adopted in violation of this section shall have no force or effect. Any building standard adopted before January 1, 1980, pursuant to this code and not expressly excepted by statute from such provisions of the State Building Standards Law shall remain in effect only until January 1, 1985, or until adopted, amended, or superseded by provisions published in the State Building Standards Code, whichever occurs sooner.

1. Notwithstanding Section 10231.5 of the Government Code, the division shall, in compliance with Section 9795 of the Government Code, annually prepare and transmit to the Legislature a report of all of the following information statewide and by district:
2. The number of shall-witness and may-witness operations performed. The number of each type of may-witness operation as identified by law or regulation included in the total shall be provided.
3. The number of shall-witness and may-witness operations performed that were witnessed by the division in person. The number of each type of may-witness operation as identified by law or regulation included in the total shall be provided.
4. The number of shall witness and may-witness operations performed where division personnel did not witness the operations in person and witnessed the operations remotely. The number of each type of may-witness operation as identified by law or regulation included in the total shall be provided.
5. The number of shall-witness and may-witness operations performed on critical wells. The number of each type of may-witness operation as identified by law or regulation included in the total shall be provided.
6. The number of shall-witness and may-witness operations performed on critical wells that were witnessed by the division in person. The number of each type of may-witness operation as identified by law or regulation included in the total shall be provided.
7. The number of shall-witness and may-witness operations performed on critical wells where division personnel did not witness the operations in person and witnessed the operations remotely. The number of each type of may-witness operation as identified by law or regulation included in the total shall be provided.
8. A complete list of all shall-witness operations where division personnel did not witness the operations in person and witnessed the operations remotely. Information about each operation, including, but not limited to, the type of operation, the date, location, API number, and district, shall be included. The division shall maintain a written justification for each remote witnessing of shall-witness operations and provide it upon request.
9. The division is authorized to witness may-witness operations remotely. The division shall prioritize witnessing of may-witness operations in person to the maximum extent possible.
10. This subdivision shall become inoperative on January 1, 2028.
11. The supervisor may, only in writing and only on a case-by-case basis, authorize division personnel to witness shall-witness operations remotely. The supervisor shall not delegate the authority to approve witnessing of these shall-witness operations remotely. All written authorizations for division personnel to witness shall-witness operations remotely shall be maintained and available to the public upon request.
12. The supervisor shall not set any positive numerical quotas for division personnel to witness operations remotely. The supervisor shall not provide a blanket authorization for remote witnessing of shall-witness operations. The supervisor shall provide written guidance to division personnel on minimum standards for remote witnessing of shall-witness and may-witness operations.
13. For purposes of this section, the following terms have the following meanings:
14. “Critical well” has the same meaning as in Section 1720 of Title 14 of the California Code of Regulations, or a successor regulation.
15. “May-witness” means an operation performed that by law the division is authorized to witness.
16. “Shall-witness” means an operation performed that by law the division is required to witness.
17. “Witnessed by the division in person” means the operation is witnessed by division personnel who were physically present at the location when the operation was performed.
18. “Witnessed the operations remotely” or “witness the operations remotely” or “witnessing the operations remotely” means the viewing or reviewing of video, livestream, photographic, or other materials or evidence of the conduct of the operation during or after the operation was conducted without the division personnel being physically present at the location when the operation was performed.
19. It is the policy of the state that division personnel witness operations in person that are critical to ensuring public and environmental health and safety, that the presence of division personnel in the field to regularly observe operations under the division’s jurisdiction is of utmost importance, and that division staffing levels be set and maintained to ensure this policy is met.
20. **gislative committees on Underground Injection Control Program [Effective until January 1, 2025; Inoperative October 1, 2024; Repealed effective January 1, 2025]**
21. By July 30, 2019, and annually thereafter, the Department of Conservation, in consultation with the State Water Resources Control Board, shall report to the fiscal and relevant policy committees of the Legislature on the Underground Injection Control Program. The report shall include, but is not limited to, all of the following about activities in the previous 12 months:
22. The number and location of underground injection control project approvals issued by the department, including projects that were approved but subsequently lapsed without having commenced injection.
23. The monthly average number of pending project applications.
24. The average length of time to obtain an underground injection control project approval from date of receipt of complete application to the date of issuance.
25. The average amount of time to review an underground injection control project proposal by the division and the average combined review time by the State Water Resources Control Board and regional water quality control boards for each proposed underground injection control project.
26. The number of project proposals pending for over one year.
27. A list of pending aquifer exemptions, if any, and their status in the review process.
28. The average length of time to process an aquifer exemption and the average amount of time to review a proposed aquifer exemption by the division and the average combined review time by the State Water Resources Control Board and regional water quality control boards for each aquifer exemption proposal.
29. The number and description of underground injection control related violations identified.
30. The number of enforcement actions taken by the department.
31. The number of shut-in orders or requests to relinquish permits and the status of those orders or requests.
32. The number, classification, and location of staff with work related to underground injection control.
33. The number of staff vacancies for positions associated with underground injection control.
34. Any state or federal legislation, administrative, or rulemaking changes to the program.
35. The number of underground injection control projects reviewed for compliance with statutes and regulations in each district and a summary of findings from project reviews completed during the reporting period, including any steps taken to address identified deficiencies.
36. The number of underground injection control projects that have not been reviewed for compliance with applicable statutes and regulations within the prior two years.
37. Summary of significant milestones in their compliance schedule agreed to with the United States Environmental Protection Agency, as indicated in the March 9, 2015, letter to the division and the state board from the United States Environmental Protection Agency, including, but not limited to, regulatory updates, evaluations of injection wells, and aquifer exemption applications.
38. Summary of activities undertaken by the underground injection control review panel established pursuant to Section 46 of Chapter 24 of the Statutes of 2015.
39. This section shall become inoperative on October 1, 2024, and, as of January 1, 2025, is repealed.
40. **program for local government training**

On or before July 1, 2023, the division shall develop and implement an education and outreach program to provide training to local governmental entities on materials collected and maintained by the division related to ***oil*** and gas operations.

1. ***thermal Administrative Fund: Labor Standards for Funding***
2. **performed by outside contractors**

All work to plug and abandon wells, decommission production facilities, or otherwise remediate well sites that is undertaken, funded, or financed by the division pursuant to Section 3226 or 3255 and performed by outside contractors is public work for which prevailing wages shall be paid for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

1. ***ementation of Oil and Gas Well Capping Pilot initiative***
2. Not later than June 30, 2024, the California Workforce Development Board shall consult with the division in developing and implementing the ***Oil*** and Gas Well Capping Pilot initiative established pursuant to the Budget Act of 2022 to assist state-registered apprenticeship programs in creating curriculum for training apprentices and to upskill journeypersons on well capping projects.
3. The division and other public agencies that receive funds from the ***Oil***, Gas, and Geothermal Administrative Fund pursuant to this chapter shall consult and coordinate with the California Workforce Development Board when promoting or seeking to improve workforce education and training programs for incumbent and entry-level workers that support or advance high-quality work performance and increase priority populations’ access to high-quality jobs associated with projects involving the performance of construction, alteration, demolition, installation, repair, or work, including the plugging and abandonment of wells, decommissioning of production facilities, or otherwise remediating well sites pursuant to Section 3226 or 3255.
4. In developing and implementing workforce development programs to support projects involving the performance of construction, alteration, demolition, installation, repair, or work, including the plugging and abandonment of wells, decommissioning of production facilities, or otherwise remediating well sites pursuant to Section 3226 or 3255, the board, division, and other public agencies shall align with the principles and practices of the high road, high road training partnerships, and high road construction careers as defined in subdivisions (r) to (t), inclusive, of Section 14005 of the Unemployment Insurance Code.
5. **rement process to group multiple projects**
6. The division, with assistance from the Labor and Workforce Development Agency, shall develop a procurement process to group multiple projects involving the performance of construction, alteration, demolition, installation, repair, or work, including the plugging and abandonment of wells, decommissioning of production facilities, or otherwise remediating well sites pursuant to Section 3226 or 3255, to use project labor agreements under which to deliver those projects.
7. The division, when contracting on or after January 1, 2028, for the performance of construction, alteration, demolition, installation, repair, or work, including the plugging and abandonment of wells, decommissioning of production facilities, or otherwise remediating well sites pursuant to Section 3226 or 3255, shall ensure that all entities selected for these projects enter into a project labor agreement that will bind all of the contractors performing work on the project. For purposes of this section, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.
8. **workforce requirement**
9. This section applies only to work performed by contractors licensed by the Contractors State License Board under contracts for the performance of construction, alteration, demolition, installation, repair, or work, including the plugging and abandonment of wells, decommissioning of production facilities, or otherwise remediating well sites, pursuant to Section 3226 or 3255, that are awarded, extended, or renewed on or after January 1, 2028.
10. The division, when contracting for the performance of construction, alteration, demolition, installation, repair, or work, including the plugging, and abandonment of wells, decommissioning of production facilities, or otherwise remediating well sites pursuant to Section 3226 or 3255, shall require that contractors and any subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades, in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.
11. The requirements of this section are satisfied if all contractors and subcontractors for the performance of construction, alteration, demolition, installation, repair, or work, including the plugging and abandonment of wells, decommissioning of production facilities, or otherwise remediating well sites, are required to become bound to a multicraft project labor agreement that expressly requires each contractor and subcontractor performing the work to use a skilled and trained workforce. For purposes of this subdivision, “project labor agreement” has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.
12. **tion Control**

For purposes of this article, the following terms mean the following:

1. “Beneficial use” has the same meaning as set forth in subdivision (f) of Section 13050 of the Water Code.
2. “Class II well” has the same meaning as set forth in Section 144.6 of Title 40 of the Code of Federal Regulations.
3. “Exempted aquifer” has the same meaning as set forth in Section 144.3 of Title 40 of the Code of Federal Regulations.
4. “State board” means the State Water Resources Control Board.
5. “Underground Injection Control Program” means a program covering Class II wells for which the division has received primacy from the United States Environmental Protection Agency pursuant to Section 1425 of the federal Safe Drinking Water Act 42 U.S.C. Sec. 300h-4).
6. **proposal for exempted aquifer determination; Public comment period and hearing; Submission of aquifer exemption proposal.**
7. To ensure the appropriateness of a proposal by the state for an exempted aquifer determination subject to any conditions on the subsequent injection of fluids, and prior to proposing to the United States Environmental Protection Agency that it exempt an aquifer or portion of an aquifer pursuant to Section 144.7 of Title 40 of the Code of Federal Regulations, the division shall consult with the appropriate regional water quality control board and the state board concerning the conformity of the proposal with all of the following:
8. Criteria set forth in Section 146.4 of Title 40 of the Code of Federal Regulations.
9. The injection of fluids will not affect the quality of water that is, or may reasonably be, used for any beneficial use.
10. The injected fluid will remain in the aquifer or portion of the aquifer that would be exempted.
11. Based on the consultation pursuant to subdivision (a), if the division and the state board concur that an aquifer or portion of an aquifer may merit consideration for exemption by the United States Environmental Protection Agency, they shall provide a public comment period and, with a minimum of 30 days public notice, jointly conduct a public hearing.
12. Following review of the public comments, and only if the division and state board concur that the exemption proposal merits consideration for exemption, the division shall submit the aquifer exemption proposal to the United States Environmental Protection Agency.
13. ***om injecting concentrated carbon dioxide fluid into Class II well for purposes of enhanced oil recovery***
14. For purposes of this section, the following definitions apply:
15. “Carbon dioxide capture project” means a project that uses a process to separate carbon dioxide from industrial, commercial, or energy-related sources, other than ***oil*** or gas production from a well, and produces a concentrated fluid of carbon dioxide with the intent of preventing emission of the carbon dioxide into the atmosphere.
16. “Carbon dioxide capture, removal, or sequestration project” means a carbon dioxide capture project or carbon dioxide removal project, that seeks to provide for the long-term isolation or utilization of the carbon dioxide from the atmosphere through storage in a geologic formation.
17. “Carbon dioxide removal project” means a project that uses a process to remove carbon dioxide from the atmosphere.
18. “Concentrated carbon dioxide fluid” means a fluid that contains concentrated carbon dioxide that is proportionately greater than the ambient atmospheric concentration of carbon dioxide.
19. An operator shall not inject a concentrated carbon dioxide fluid produced by a carbon dioxide capture, removal, or sequestration project into a Class II well for purposes of enhanced ***oil*** recovery, including the facilitation of enhanced ***oil*** recovery from another well.

“Additive” means a substance or combination of substances added to a base fluid for purposes of preparing well stimulation treatment fluid which includes, but is not limited to, an acid stimulation treatment fluid or a hydraulic fracturing fluid. An additive may, but is not required to, serve additional purposes beyond the transmission of hydraulic pressure to the geologic formation. An additive may be of any phase and includes proppants.

“Base fluid” means the continuous phase fluid used in the makeup of a well stimulation treatment fluid, including, but not limited to, an acid stimulation treatment fluid or a hydraulic fracturing fluid. The continuous phase fluid may include, but is not limited to, water, and may be a liquid or a hydrocarbon or nonhydrocarbon gas. A well stimulation treatment may use more than one base fluid.

“Hydraulic fracturing” means a well stimulation treatment that, in whole or in part, includes the pressurized injection of hydraulic fracturing fluid or fluids into an underground geologic formation in order to fracture or with the intent to fracture the formation, thereby causing or enhancing, for the purposes of this division, the production of ***oil*** or gas from a well.

1. **tment fluid”**

“Well stimulation treatment fluid” means a base fluid mixed with physical and chemical additives, which may include acid, for the purpose of a well stimulation treatment. A well stimulation treatment may include more than one well stimulation treatment fluid. Well stimulation treatment fluids include, but are not limited to, hydraulic fracturing fluids and acid stimulation treatment fluids.

“Proppants” means materials inserted or injected into the underground geologic formation that are intended to prevent fractures from closing.

“Supplier” means an entity performing a well stimulation treatment or an entity supplying an additive or proppant directly to the operator for use in a well stimulation treatment.

1. **r”**

“Surface property owner” means the owner of real property as shown on the latest equalized assessment roll or, if more recent information than the information contained on the assessment roll is available, the owner of record according to the county assessor or tax collector.

1. **tment”**
2. For purposes of this article, “well stimulation treatment” means any treatment of a well designed to enhance ***oil*** and gas production or recovery by increasing the permeability of the formation. Well stimulation treatments include, but are not limited to, hydraulic fracturing treatments and acid well stimulation treatments.
3. Well stimulation treatments do not include steam flooding, water flooding, or cyclic steaming and do not include routine well cleanout work, routine well maintenance, routine removal of formation damage due to drilling, bottom hole pressure surveys, or routine activities that do not affect the integrity of the well or the formation.
4. **treatment”**

“Acid well stimulation treatment” means a well stimulation treatment that uses, in whole or in part, the application of one or more acids to the well or underground geologic formation. The acid well stimulation treatment may be at any applied pressure and may be used in combination with hydraulic fracturing treatments or other well stimulation treatments. Acid well stimulation treatments include acid matrix stimulation treatments and acid fracturing treatments. Acid matrix stimulation treatments are acid treatments conducted at pressures lower than the applied pressure necessary to fracture the underground geologic formation.

“Flowback fluid” means the fluid recovered from the treated well before the commencement of ***oil*** and gas production from that well following a well stimulation treatment. The flowback fluid may include materials of any phase.

1. **ll stimulation treatments; Adoption of rules and regulations; Delineation of authority, responsibility, and notification and reporting requirements among public entities; Permit to perform well stimulation treatment; Posting to Internet Web site of well stimulation fluid and disposition information; Reporting of geologic features; Public disclosure of information claimed to contain trade secrets; Random spot check inspections by division**
2. On or before January 1, 2015, the Secretary of the Natural Resources Agency shall cause to be conducted, and completed, an independent scientific study on well stimulation treatments, including, but not limited to, hydraulic fracturing and acid well stimulation treatments. The scientific study shall evaluate the hazards and risks and potential hazards and risks that well stimulation treatments pose to natural resources and public, occupational, and environmental health and safety. The scientific study shall do all of the following:
3. Follow the well-established standard protocols of the scientific profession, including, but not limited to, the use of recognized experts, peer review, and publication.
4. Identify areas with existing and potential conventional and unconventional ***oil*** and gas reserves where well stimulation treatments are likely to spur or enable ***oil*** and gas exploration and production.
5. Evaluate all aspects and effects of well stimulation treatments, including, but not limited to, the well stimulation treatment, additive and water transportation to and from the well site, mixing and handling of the well stimulation treatment fluids and additives onsite, the use and potential for use of nontoxic additives and the use or reuse of treated or produced water in well stimulation treatment fluids, and flowback fluids and the handling, treatment, and disposal of flowback fluids and other materials, if any, generated by the treatment. Specifically, the potential for the use of recycled water in well stimulation treatments, including appropriate water quality requirements and available treatment technologies, shall be evaluated. Well stimulation treatments include, but are not limited to, hydraulic fracturing and acid well stimulation treatments.
6. Review and evaluate acid matrix stimulation treatments, including the range of acid volumes applied per treated foot and total acid volumes used in treatments, types of acids, acid concentration, and other chemicals used in the treatments.
7. Consider, at a minimum, atmospheric emissions, including potential greenhouse gas emissions, the potential degradation of air quality, potential impacts on wildlife, native plants, and habitat, including habitat fragmentation, potential water and surface contamination, potential noise pollution, induced seismicity, and the ultimate disposition, transport, transformation, and toxicology of well stimulation treatments, including acid well stimulation fluids, hydraulic fracturing fluids, and waste hydraulic fracturing fluids and acid well stimulation in the environment.
8. Identify and evaluate the geologic features present in the vicinity of a well, including the wellbore, that should be taken into consideration in the design of a proposed well stimulation treatment.
9. Include a hazard assessment and risk analysis addressing occupational and environmental exposures to well stimulation treatments, including hydraulic fracturing treatments, hydraulic fracturing treatment-related processes, acid well stimulation treatments, acid well stimulation treatment-related processes, and the corresponding impacts on public health and safety with the participation of the Office of Environmental Health Hazard Assessment.
10. Clearly identify where additional information is necessary to inform and improve the analyses.
11. On or before January 1, 2015, the division, in consultation with the Department of Toxic Substances Control, the State Air Resources Board, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and any local air districts and regional water quality control boards in areas where well stimulation treatments, including acid well stimulation treatments and hydraulic fracturing treatments, may occur, shall adopt rules and regulations specific to well stimulation treatments. The rules and regulations shall include, but are not limited to, revisions, as needed, to the rules and regulations governing construction of wells and well casings to ensure integrity of wells, well casings, and the geologic and hydrologic isolation of the ***oil*** and gas formation during and following well stimulation treatments, and full disclosure of the composition and disposition of well stimulation fluids, including, but not limited to, hydraulic fracturing fluids, acid well stimulation fluids, and flowback fluids.
12. The rules and regulations shall additionally include provisions for an independent entity or person to perform the notification requirements pursuant to paragraph (6) of subdivision (d), for the operator to provide for baseline and followup water testing upon request as specified in paragraph (7) of subdivision (d).
13. In order to identify the acid matrix stimulation treatments that are subject to this section, the rules and regulations shall establish threshold values for acid volume applied per treated foot of any individual stage of the well or for total acid volume of the treatment, or both, based upon a quantitative assessment of the risks posed by acid matrix stimulation treatments that exceed the specified threshold value or values in order to prevent, as far as possible, damage to life, health, property, and natural resources pursuant to Section 3106.
14. On or before January 1, 2020, the division shall review and evaluate the threshold values for acid volume applied per treated foot and total acid volume of the treatment, based upon data collected in the state, for acid matrix stimulation treatments. The division shall revise the values through the regulatory process, if necessary, based upon the best available scientific information, including the results of the independent scientific study pursuant to subparagraph (B) of paragraph (3) of subdivision (a).
15. Full disclosure of the composition and disposition of well stimulation fluids, including, but not limited to, hydraulic fracturing fluids and acid stimulation treatment fluids, shall, at a minimum, include:
16. The date of the well stimulation treatment.
17. A complete list of the names, Chemical Abstract Service (CAS) numbers, and maximum concentration, in percent by mass, of each and every chemical constituent of the well stimulation treatment fluids used. If a CAS number does not exist for a chemical constituent, the well owner or operator may provide another unique identifier, if available.
18. The trade name, the supplier, concentration, and a brief description of the intended purpose of each additive contained in the well stimulation treatment fluid.
19. The total volume of base fluid used during the well stimulation treatment, and the identification of whether the base fluid is water suitable for irrigation or domestic purposes, water not suitable for irrigation or domestic purposes, or a fluid other than water.
20. The source, volume, and specific composition and disposition of all water, including, but not limited to, all water used as base fluid during the well stimulation treatment and recovered from the well following the well stimulation treatment that is not otherwise reported as produced water pursuant to Section 3227. Any repeated reuse of treated or untreated water for well stimulation treatments and well stimulation treatment-related activities shall be identified.
21. The specific composition and disposition of all well stimulation treatment fluids, including waste fluids, other than water.
22. Any radiological components or tracers injected into the well as part of, or in order to evaluate, the well stimulation treatment, a description of the recovery method, if any, for those components or tracers, the recovery rate, and specific disposal information for recovered components or tracers.
23. The radioactivity of the recovered well stimulation fluids.
24. The location of the portion of the well subject to the well stimulation treatment and the extent of the fracturing or other modification, if any, surrounding the well induced by the treatment.
25. Through the consultation process described in paragraph (1) of subdivision (b), the division shall collaboratively identify and delineate the existing statutory authority and regulatory responsibility relating to well stimulation treatments and well stimulation treatment-related activities of the Department of Toxic Substances Control, the State Air Resources Board, any local air districts, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, any regional water quality control board, and other public entities, as applicable. This shall specify how the respective authority, responsibility, and notification and reporting requirements associated with well stimulation treatments and well stimulation treatment-related activities are divided among each public entity.
26. On or before January 1, 2015, the division shall enter into formal agreements with the Department of Toxic Substances Control, the State Air Resources Board, any local air districts where well stimulation treatments may occur, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and any regional water quality control board where well stimulation treatments may occur, clearly delineating respective authority, responsibility, and notification and reporting requirements associated with well stimulation treatments and well stimulation treatment-related activities, including air and water quality monitoring, in order to promote regulatory transparency and accountability.
27. The agreements under paragraph (2) shall specify the appropriate public entity responsible for air and water quality monitoring and the safe and lawful disposal of materials in landfills, include trade secret handling protocols, if necessary, and provide for ready public access to information related to well stimulation treatments and related activities.
28. Regulations, if necessary, shall be revised appropriately to incorporate the agreements under paragraph (2).
29. Notwithstanding any other law or regulation, before performing a well stimulation treatment on a well, the operator shall apply for a permit to perform a well stimulation treatment with the supervisor or district deputy. The well stimulation treatment permit application shall contain the pertinent data the supervisor requires on printed forms supplied by the division or on other forms acceptable to the supervisor. The information provided in the well stimulation treatment permit application shall include, but is not limited to, the following:
30. The well identification number and location.
31. The time period during which the well stimulation treatment is planned to occur.
32. A water management plan that shall include all of the following:
33. An estimate of the amount of water to be used in the treatment. Estimates of water to be recycled following the well stimulation treatment may be included.
34. The anticipated source of the water to be used in the treatment.
35. The disposal method identified for the recovered water in the flowback fluid from the treatment that is not produced water included in the statement pursuant to Section 3227.
36. A complete list of the names, Chemical Abstract Service (CAS) numbers, and estimated concentrations, in percent by mass, of each and every chemical constituent of the well stimulation fluids anticipated to be used in the treatment. If a CAS number does not exist for a chemical constituent, the well owner or operator may provide another unique identifier, if available.
37. The planned location of the well stimulation treatment on the wellbore, the estimated length, height, and direction of the induced fractures or other planned modification, if any, and the location of existing wells, including plugged and abandoned wells, that may be impacted by these fractures and modifications.
38. A groundwater monitoring plan. Required groundwater monitoring in the vicinity of the well subject to the well stimulation treatment shall be satisfied by one of the following:
39. The well is located within the boundaries of an existing ***oil*** or gas field-specific or regional monitoring program developed pursuant to Section 10783 of the Water Code.
40. The well is located within the boundaries of an existing ***oil*** or gas field-specific or regional monitoring program developed and implemented by the well owner or operator meeting the model criteria established pursuant to Section 10783 of the Water Code.
41. Through a well-specific monitoring plan implemented by the owner or operator meeting the model criteria established pursuant to Section 10783 of the Water Code, and submitted to the appropriate regional water board for review.
42. The estimated amount of treatment-generated waste materials that are not reported in subparagraph (C) and an identified disposal method for the waste materials.
43. At the supervisor's discretion, and if applied for concurrently, the well stimulation treatment permit described in this section may be combined with the well drilling and related operation notice of intent required pursuant to Section 3203 into a single combined authorization. The portion of the combined authorization applicable to well stimulation shall meet all of the requirements of a well stimulation treatment permit pursuant to this section.
44. The time period available for approval of the combined authorization applicable to well stimulation is subject to the terms of this section, and not Section 3203.
45. The supervisor or district deputy shall review the well stimulation treatment permit application and may approve the permit if the application is complete. An incomplete application shall not be approved.
46. A well stimulation treatment or repeat well stimulation treatment shall not be performed on any well without a valid permit that the supervisor or district deputy has approved.
47. In considering the permit application, the supervisor shall evaluate the quantifiable risk of the well stimulation treatment.
48. In the absence of state implementation of a regional groundwater monitoring program pursuant to paragraph (1) of subdivision (h) of Section 10783 of the Water Code, the supervisor or district deputy may approve a permit application for well stimulation treatment pursuant to subparagraph (A) before the approval by the State Water Resources Control Board or a regional water quality control board of an area-specific groundwater monitoring program developed by an owner or operator pursuant to paragraph (2) of subdivision (h) of Section 10783 of the Water Code, but the well stimulation treatment shall not commence until the state board or the regional water board approves the area-specific groundwater monitoring program.
49. The well stimulation treatment permit shall expire one year from the date that the permit is issued.
50. Within five business days of issuing a permit to perform a well stimulation treatment, the division shall provide a copy of the permit to the appropriate regional water quality control board or boards and to the local planning entity where the well, including its subsurface portion, is located. The division shall also post the permit on the publicly accessible portion of its internet website within five business days of issuing a permit.
51. It is the policy of the state that a copy of the approved well stimulation treatment permit and information on the available water sampling and testing be provided to every tenant of the surface property and every surface property owner or authorized agent of that owner whose property line location is one of the following:
52. Within a 1,500 foot radius of the wellhead.
53. Within 500 feet from the horizontal projection of all subsurface portions of the designated well to the surface.
54. The well owner or operator shall identify the area requiring notification and shall contract with an independent entity or person who is responsible for, and shall perform, the notification required pursuant to subparagraph (A).
55. The independent entity or person shall identify the individuals notified, the method of notification, the date of the notification, a list of those notified, and shall provide a list of this information to the division.
56. The performance of the independent entity or persons shall be subject to review and audit by the division.
57. A well stimulation treatment shall not commence before 30 calendar days after the permit copies pursuant to subparagraph (A) are provided.
58. A property owner notified pursuant to paragraph (6) may request water quality sampling and testing from a designated qualified contractor on any water well suitable for drinking or irrigation purposes and on any surface water suitable for drinking or irrigation purposes as follows:
59. Baseline measurements before the commencement of the well stimulation treatment.
60. Followup measurements after the well stimulation treatment on the same schedule as the pressure testing of the well casing of the treated well.
61. The State Water Resources Control Board shall designate one or more qualified independent third-party contractor or contractors that adhere to board-specified standards and protocols to perform the water sampling and testing. The well owner or operator shall pay for the sampling and testing. The sampling and testing performed shall be subject to audit and review by the State Water Resources Control Board or applicable regional water quality control board, as appropriate.
62. The results of the water testing shall be provided to the division, appropriate regional water board, and the property owner or authorized agent. A tenant notified pursuant to paragraph (6) shall receive information on the results of the water testing to the extent authorized by the tenant's lease and, where the tenant has lawful use of the ground or surface water identified in subparagraph (A), the tenant may independently contract for similar groundwater or surface water testing.
63. The division shall retain a list of the entities and property owners notified pursuant to paragraphs (5) and (6).
64. The operator shall provide notice to the division at least 72 hours before the actual start of the well stimulation treatment in order for the division to witness the treatment.
65. The Secretary of the Natural Resources Agency shall notify the Joint Legislative Budget Committee and the Chairs of the Assembly Natural Resources, Senate Environmental Quality, and Senate Natural Resources and Water Committees on the progress of the independent scientific study on well stimulation and related activities. The first progress report shall be provided to the committees on or before April 1, 2014, and progress reports shall continue every four months thereafter until the independent study is completed, including a peer review of the study by independent scientific experts.
66. If a well stimulation treatment is performed on a well, a supplier that performs any part of the stimulation or provides additives directly to the operator for a well stimulation treatment shall furnish the operator with information suitable for public disclosure needed for the operator to comply with subdivision (g). This information shall be provided as soon as possible but no later than 30 days following the conclusion of the well stimulation treatment.
67. Within 60 days following cessation of a well stimulation treatment on a well, the operator shall post or cause to have posted to an internet website designated or maintained by the division and accessible to the public all of the well stimulation fluid composition and disposition information required to be collected pursuant to rules and regulations adopted under subdivision (b), including well identification number and location. This shall include the collected water quality data, which the operator shall report electronically to the State Water Resources Control Board.
68. The operator is responsible for compliance with this section.
69. All geologic features within a distance reflecting an appropriate safety factor of the fracture zone for well stimulation treatments that fracture the formation and that have the potential to either limit or facilitate the migration of fluids outside of the fracture zone shall be identified and added to the well history. Geologic features include seismic faults identified by the California Geologic Survey.
70. For purposes of this section, the “fracture zone” is defined as the volume surrounding the wellbore where fractures were created or enhanced by the well stimulation treatment. The safety factor shall be at least five and may vary depending upon geologic knowledge.
71. The division shall review the geologic features important to assessing well stimulation treatments identified in the independent study pursuant to paragraph (5) of subdivision (a). Upon completion of the review, the division shall revise the regulations governing the reporting of geologic features pursuant to this subdivision accordingly.
72. Public disclosure of well stimulation treatment fluid information claimed to contain trade secrets is governed by Section 1060 of the Evidence Code, or the Uniform Trade Secrets Act (Title 5 (commencing with Section 3426) of Part 1 of Division 4 of the Civil Code), and the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).
73. Notwithstanding any other law or regulation, none of the following information shall be protected as a trade secret:
74. The identities of the chemical constituents of additives, including CAS identification numbers.
75. The concentrations of the additives in the well stimulation treatment fluids.
76. Any air or other pollution monitoring data.
77. Health and safety data associated with well stimulation treatment fluids.
78. The chemical composition of the flowback fluid.
79. If a trade secret claim is invalid or invalidated, the division shall release the information to the public by revising the information released pursuant to subdivision (g). The supplier shall notify the division of any change in status within 30 days.
80. If a supplier believes that information regarding a chemical constituent of a well stimulation fluid is a trade secret, the supplier shall nevertheless disclose the information to the division in conjunction with a well stimulation treatment permit application, if not previously disclosed, within 30 days following cessation of a well stimulation on a well, and shall notify the division in writing of that belief.
81. A trade secret claim shall not be made after initial disclosure of the information to the division.
82. To comply with the public disclosure requirements of this section, the supplier shall indicate where trade secret information has been withheld and provide substitute information for public disclosure. The substitute information shall be a list, in any order, of the chemical constituents of the additive, including CAS identification numbers. The division shall review and approve the supplied substitute information.
83. This subdivision does not permit a supplier to refuse to disclose the information required pursuant to this section to the division.
84. In order to substantiate the trade secret claim, the supplier shall provide information to the division that shows all of the following:
85. The extent to which the trade secret information is known by the supplier's employees and others involved in the supplier's business and outside the supplier's business.
86. The measures taken by the supplier to guard the secrecy of the trade secret information.
87. The value of the trade secret information to the supplier and its competitors.
88. The amount of effort or money the supplier expended developing the trade secret information and the ease or difficulty with which the trade secret information could be acquired or duplicated by others.
89. If the division determines that the information provided in support of a request for trade secret protection pursuant to paragraph (5) is incomplete, the division shall notify the supplier and the supplier shall have 30 days to complete the submission. An incomplete submission does not meet the substantive criteria for trade secret designation.
90. If the division determines that the information provided in support of a request for trade secret protection does not meet the substantive criteria for trade secret designation, the department shall notify the supplier by certified mail of its determination. The division shall release the information to the public, but not earlier than 60 days after the date of mailing the determination, unless, before the expiration of the 60-day period, the supplier obtains an action in an appropriate court for a declaratory judgment that the information is subject to protection or for a preliminary injunction prohibiting disclosure of the information to the public and provides notice to the division of the court order.
91. The supplier is not required to disclose trade secret information to the operator.
92. Upon receipt of a request for the release of trade secret information to the public, the following procedure applies:
93. The division shall notify the supplier of the request in writing by certified mail, return receipt requested.
94. The division shall release the information to the public, but not earlier than 60 days after the date of mailing the notice of the request for information, unless, before the expiration of the 60-day period, the supplier obtains an action in an appropriate court for a declaratory judgment that the information is subject to protection or for a preliminary injunction prohibiting disclosure of the information to the public and provides notice to the division of that action.
95. The division shall develop a timely procedure to provide trade secret information in the following circumstances:
96. To an officer or employee of the division, the state, local governments, including, but not limited to, local air districts, or the United States, in connection with the official duties of that officer or employee, to a health professional under any law for the protection of health, or to contractors with the division or other government entities and their employees if, in the opinion of the division, disclosure is necessary and required for the satisfactory performance of a contract, for performance of work, or to protect health and safety.
97. To a health professional in the event of an emergency or to diagnose or treat a patient.
98. In order to protect public health, to any health professional, toxicologist, or epidemiologist who is employed in the field of public health and who provides a written statement of need. The written statement of need shall include the public health purposes of the disclosure and shall explain the reason the disclosure of the specific chemical and its concentration is required.
99. A health professional may share trade secret information with other persons as may be professionally necessary, in order to diagnose or treat a patient, including, but not limited to, the patient and other health professionals, subject to state and federal laws restricting disclosure of medical records including, but not limited to, Chapter 2 (commencing with Section 56.10) of Part 2.6 of Division 1 of the Civil Code.
100. For purposes of this paragraph, “health professional” means any person licensed or certified pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, the Chiropractic Initiative Act, or the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act (Division 2.5 (commencing with Section 1797) of the Health and Safety Code).
101. A person in possession of, or having access to, confidential trade secret information pursuant to this subdivision may disclose this information to any person who is authorized to receive it. A written confidentiality agreement shall not be required.
102. A well granted confidential status pursuant to Section 3234 shall not be required to disclose well stimulation treatment fluid information pursuant to subdivision (g) until the confidential status of the well ceases. Notwithstanding the confidential status of a well, it is public information that a well will be or has been subject to a well stimulation treatment.
103. The division shall perform random periodic spot check inspections to ensure that the information provided on well stimulation treatments is accurately reported, including that the estimates provided before the commencement of the well stimulation treatment are reasonably consistent with the well history.
104. Where the division shares jurisdiction over a well or the well stimulation treatment on a well with a federal entity, the division's rules and regulations shall apply in addition to all applicable federal laws and regulations.
105. This article does not relieve the division or any other agency from complying with any other provision of existing laws, regulations, and orders.
106. **lations governing well stimulation; Allowance of activities until implementation of regulations**

(a) The division shall finalize and implement the regulations governing this article on or before January 1, 2015.

(b) The division shall allow, until regulations governing this article are finalized and implemented, and upon written notification by an operator, all of the activities defined in Section 3157, provided all of the following conditions are met:

(1) The owner or operator certifies compliance with subdivision (b) of, subparagraphs (A) to (F), inclusive, of paragraph (1) and paragraphs (6) and (7) of subdivision (d) of, and subdivision (g) of, Section 3160.

(2) The owner or operator provides a complete well history, incorporating the information required by Section 3160, to the division on or before March 1, 2015.

(3) The division conducts an environmental impact report (EIR) pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000)), in order to provide the public with detailed information regarding any potential environmental impacts of well stimulation in the state.

(4) Any environmental review conducted by the division shall fully comply with all of the following requirements:

(A) The EIR shall be certified by the division as the lead agency, no later than July 1, 2015.

(B) The EIR shall address the issue of activities that may be conducted as defined in Section 3157 and that may occur at ***oil*** wells in the state existing prior to, and after, the effective date of this section.

(C) The EIR shall not conflict with an EIR conducted by a local lead agency that is certified on or before July 1, 2015. Nothing in this section prohibits a local lead agency from conducting its own EIR.

(5) The division ensures that all activities pursuant to this section fully conform with this article and other applicable provisions of law on or before December 31, 2015, through a permitting process.

(6) The division has the emergency regulatory authority to implement the purposes of this section.

1. **e Wells**
2. **integrity testing; Regulations**
3. As used in this article, “gas storage well” means an active or idle well used primarily to inject natural gas into or withdraw natural gas from an underground natural gas storage facility.
4. On or before January 1, 2018, the operators of all gas storage wells shall have commenced a mechanical integrity testing regime specified by the division. The testing regime shall include all of the following:
5. Regular leak testing.
6. Casing wall thickness inspection.
7. Pressure test of the production casing.
8. Any additional testing deemed necessary by the division to demonstrate the integrity of the well.
9. All anomalies identified in the testing shall be immediately reported to the appropriate district office and explained to the supervisor's satisfaction.
10. The division shall promulgate regulations that establish standards for the design, construction, and maintenance of all gas storage wells to ensure that integrity concerns with a gas storage well are identified and addressed before they can become a threat to life, health, property, the climate, or natural resources.
11. The regulations shall require that gas storage wells be designed, constructed, and maintained to ensure that a single point of failure does not pose an immediate threat of loss of control of fluids, as determined by the supervisor.
12. In developing the regulations, the division shall consider enhanced design, construction, and maintenance measures that could meet the standard in paragraph (2), including any of the following:
13. Primary and secondary mechanical well barriers to isolate the storage gas within the storage reservoir and transfer storage gas from the surface into and out of the storage reservoir.
14. Production casing to the surface with the required integrity to contain reservoir pressure.
15. Tubing and packer and production tree with the required integrity to contain reservoir pressure.
16. Surface controlled subsurface safety valves or Christmas tree valves with the required integrity to contain reservoir pressure that halt flow through the well.
17. Secondary barrier with overlapping cement casing between two concentric casings with good quality cement bond.
18. Wellhead with annular valves and seals and the required integrity to contain reservoir pressure.
19. Casing with a hanger and seal assembly.
20. Any other well construction requirements the supervisor determines would improve the protection of public health, safety, the environment, and natural resources.
21. In developing the regulations, the division shall develop a schedule for ongoing mechanical integrity testing.
22. In order to facilitate consistency, standardization, and training for site inspection and maintenance, to the extent that the regulations promulgated by the division pursuant to subdivision (d) address surface equipment associated with an underground gas storage facility, the division shall ensure that those regulations are consistent with comparable requirements in Parts 190 to 199, inclusive, of Title 49 of the Code of Federal Regulations.
23. **ed disclosures**
24. The operator of a gas storage well shall submit for the supervisor's approval the following materials:
25. Data describing the gas storage project and gas storage wells that demonstrate that stored gas will be confined to the approved zone or zones. Updated data shall be provided to the division if conditions change or if more accurate data become available.
26. A risk management plan to identify and plan for mitigation of all threats and hazards and potential threats and hazards associated with gas storage well operation in order to ensure internal and external mechanical integrity of a well, including site-specific information. The risk management plan shall provide for regular review and revision, as needed, to ensure the plan appropriately reflects current conditions. The risk management plan shall include, but is not limited to, all of the following:
27. A natural gas leak prevention and response program that addresses the full range of natural gas leaks possible at the facility with specific response plans that provide for immediate control of the leak. The operator shall consult with local emergency response entities on the response plans. The prevention and response program shall include, but is not limited to, all of the following:
28. A protocol for public notice of a large, uncontrollable leak to any potentially impacted community, as defined in the risk management plan, if the leak cannot be controlled within 48 hours of discovery by the operator.
29. Prepositioning, as feasible, and identification of materials and personnel necessary to respond to leaks. This shall include materials and equipment to respond to and stop the leak itself as well as to protect public health.
30. The identification of personnel responsible for notifying regulatory authorities with jurisdiction over the range of leaks possible.
31. A plan for corrosion monitoring and evaluation.
32. A schedule for regular well and reservoir integrity assessments.
33. An assessment of the risks associated with the gas storage well and its operation.
34. Planned risk mitigation efforts.
35. A regular maintenance program for the well and the portion of the facility within the division's jurisdiction. The maintenance program shall include training for site personnel and proactive replacement of equipment at risk of failure to ensure safe operation.
36. In addition to other factors deemed relevant by the supervisor, the risk management plan required in paragraph (2) shall consider all of the following:
37. The facility's distance from dwellings, other buildings intended for human occupancy, or other well-defined outside areas where people may assemble such as campgrounds, recreational areas, or playgrounds.
38. The risks to and from the well related to roadways, rights of way, railways, airports, and industrial facilities.
39. Proximity to environmentally or culturally sensitive areas.
40. The risks of well sabotage.
41. The current and predicted development of the surrounding area.
42. Topography and local wind patterns.
43. All of the materials described in subdivision (a) shall be reported to the division according to a schedule approved by the supervisor. The operator shall not deviate from the programs, plans, and other conditions and protocols contained in the materials without prior written approval by the supervisor.
44. **ation**
45. The operator of a gas storage well shall provide to the division a complete chemical inventory of the materials, of any phase, that may be emitted from the gas storage well in the event of a reportable leak, as defined for purposes of Section 3183, periodically, as determined by the division, but no less than annually. For purposes of this section, material includes, but is not limited to, the composition of formation fluids, gas in the storage reservoir, wellbore-produced fluids, and all well maintenance and control materials, including well kill fluids, placed in the well. For purposes of this section, fluids include suspended or entrained solids.
46. The division shall consider information collected pursuant to its existing regulations when determining what information satisfies the requirements of this section.
47. Notwithstanding subdivision (a), in the event of a reportable leak, as defined for purposes of Section 3183, the operator of a gas storage well shall provide to the division the composition of well kill fluids within five days of their use in a leaking gas storage well and any updates to the information reported pursuant to subdivision (a) to ensure that it is current.
48. The information provided pursuant to this section shall be provided with sufficient accuracy and precision as determined by the division, in consultation with the Office of Environmental Health Hazard Assessment and other relevant health experts, to inform the determination of public health impacts from the release of these materials to the environment.
49. If an operator subject to this section is unable to obtain information about a chemical from the chemical's supplier for any reason, including, but not limited to, assertion by the chemical supplier of trade secret protections, the division may require the supplier to furnish that information to the division.
50. In the event of a reportable leak, as defined for purposes of Section 3183, the division shall post the information related to the reportable leak received pursuant to this section on its internet website.
51. ***3 notices on Web site***

On a weekly basis, the division shall post a list of notices received pursuant to *Section 3203* on the division’s Internet Web site. Copies of any notice shall be provided to members of the public upon request.

1. The division, in consultation with the State Air Resources Board, shall determine and adopt by regulation what constitutes a reportable leak from a gas storage well and the timeframe for reporting that leak. The regulations shall require an operator to immediately report to the division a leak that poses a significant present or potential hazard to public health and safety, property, or to the environment.
2. Until the regulations pursuant to subdivision (a) are in effect, a leak of any size from a gas storage well shall be deemed a reportable leak, and the operator shall notify the division immediately.
3. If a leak from a gas storage well that is reported to the division pursuant to subdivision (a) or (b), as applicable, cannot be controlled within 48 hours, the division shall post information about the leak on its internet website and provide regular updates to the public until the leak is stopped.
4. The division, in consultation with the State Air Resources Board, shall review and, if necessary, revise the regulations developed pursuant to subdivision (a) no less than once every 10 years.
5. **t**
6. Within 72 hours of being notified of a reportable leak, pursuant to *Section 3183*, the supervisor shall determine if the reportable leak poses a significant present or potential hazard to public health and safety, property, or to the environment such that a relief well is necessary. If the supervisor makes that determination, the operator shall immediately begin preparation for, and, as soon as practicable at the determination of the supervisor, commence the drilling of, a relief well.
7. Nothing in subdivision (a) shall prevent the supervisor from making a determination after the initial 72-hour period that a reportable leak poses a significant hazard to public health and safety, property, or to the environment and that a relief well is necessary. If the supervisor makes that determination, the operator shall immediately begin preparation for, and, as soon as practicable at the determination of the supervisor, commence the drilling of, a relief well.
8. If the operator is required to drill a relief well under subdivision (a) or (b), the operator's efforts to drill the relief well shall continue until the reportable leak has been stopped and the cause of the reportable leak has been fully addressed or the supervisor determines that other means of controlling the reportable leak are appropriate.

The division shall perform unannounced random onsite inspections of some gas storage wells annually. The results shall be posted and available to the public on the division’s Internet Web site.

1. **mentoring**

An operator of a gas storage well shall develop and maintain a comprehensive gas storage well training and mentoring program for those employees whose job duties involve the safety of operations and maintenance of gas storage wells and associated equipment. The training program shall include, but is not limited to, gas storage well operations, including best practices to prevent leaks, maintenance and testing, gas storage well safety regulations, emergency response, and incident reporting. If storage field employees are represented by a labor union, the operator shall consult with the relevant union local on safety issues and, when requested, establish a framework to provide training through a joint labor-management training program.

1. **of natural gas storage well policy; Requirements**

On or before July 1, 2021, in response to the independent root cause analysis of the 2015 well leak at the Aliso Canyon gas storage facility prepared by Blade Energy Partners dated May 16, 2019, and ordered by the supervisor and the Public Utilities Commission, the division shall review and, if necessary, revise its natural gas storage well policy and regulations to address the root causes identified. At a minimum, the division shall evaluate and consider all of the following:

1. Requirements for cathodic protection measures for well casings, where appropriate, on a well-by-well or field-by-field basis.
2. Requirements for well control plans for a gas storage field, that include the range of flow properties possible in the event of an uncontrolled well release.
3. Requirements for investigating leaks and other pressure equipment integrity incidents that present a risk of leaks as determined by the division. This shall include reporting requirements to the division.
4. **aterials on Web site**

All materials provided to the division and approved by the supervisor to comply with Sections 3181, 3184, and 3185 shall be posted and available to the public on the Internet Web site of the division in a timely manner.

1. **ions**

An owner or operator of a well or production facility shall designate an agent, giving his or her address, who resides in this state, to receive and accept service of all orders, notices, and processes of the supervisor or a court of law. Every person so appointing an agent shall, within five days after the termination of the agency, notify the supervisor, in writing, of the termination, and unless operations are discontinued, shall appoint a new agent.

1. The operator of a well or production facility shall notify the supervisor or the district deputy, in writing, in the form that the supervisor or the district deputy may direct, of the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility by the operator of the well or production facility as soon as is reasonably possible, but in no event later than the date that the sale, assignment, transfer, conveyance, exchange, or other disposition becomes final. The operator shall not be relieved of responsibility for the well or production facility until the supervisor or the district deputy acknowledges the sale, assignment, transfer, conveyance, exchange, or other disposition, in writing, and the person acquiring the well or production facility is in compliance with Section 3202. The operator’s notice shall contain all of the following information:
2. The name and address of the person to whom the well or production facility was or will be sold, assigned, transferred, conveyed, exchanged, or otherwise disposed.
3. The name and location of the well or production facility, and a description of the land upon which the well or production facility is situated.
4. The date that the sale, assignment, transfer, conveyance, exchange, or other disposition becomes final.
5. The date when possession was or will be relinquished by the operator as a result of that disposition.
6. Upon request of the supervisor, the former operator shall, within 15 days, provide to the division copies of the documents recorded with a governmental office involving the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility.
7. If after reviewing the documents submitted pursuant to paragraph (1) the division determines additional documentation is needed to validate the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility, the division shall notify the former operator.
8. Upon receiving notice pursuant to paragraph (2), the former operator shall, within 30 days, provide to the division documents necessary to identify the operator of the well or production facility. If the documents are not otherwise publicly available, the former operator may redact information from the documents before submitting them to the division if the division agrees the information is not relevant to identification of the current operator of the well or production facility.
9. **n of operation rights**
10. A person who acquires the right to operate a well or production facility, whether by purchase, transfer, assignment, conveyance, exchange, or other disposition, shall, as soon as it is reasonably possible, but not later than the date when the acquisition of the well or production facility becomes final, notify the supervisor or the district deputy, in writing, of the person’s operation. The acquisition of a well or production facility shall not be recognized as complete by the supervisor or the district deputy until the new operator provides all of the following material:
11. The name and address of the person from whom the well or production facility was acquired.
12. The name and location of the well or production facility, and a description of the land upon which the well or production facility is situated.
13. The date when the acquisition becomes final.
14. The date when possession was or will be acquired.
15. An indemnity bond for each well as required under *Section 3204* or *3205*.
16. Upon request of the supervisor, the new operator shall, within 15 days, provide to the division copies of the documents recorded with a governmental office involving the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility.
17. If after reviewing the documents submitted pursuant to paragraph (1) the division determines additional documentation is needed to validate the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility, the division shall notify the new operator.
18. Upon receiving notice pursuant to paragraph (2), the new operator shall, within 30 days, provide to the division documents necessary to identify the operator of the well or production facility.
19. After notice is given pursuant to subdivision (a) and until another person acquires the well or production facility, the new operator shall notify the supervisor whether any of the rights have changed. That notification shall be in writing and occur every other year by July 1.
20. The new operator shall also notify the supervisor within 30 days of any quitclaim of a well or production facility.
21. **drill or redrill**
22. The operator of any well, before commencing the work of drilling the well, shall file with the supervisor or the district deputy a written notice of intention to commence drilling. Drilling shall not commence until approval is given by the supervisor or the district deputy. If the supervisor or the district deputy fails to give the operator written response to the notice within 10 working days from the date of receipt, that failure shall be considered as an approval of the notice and the notice, for the purposes and intents of this chapter, shall be deemed a written report of the supervisor. If operations have not commenced within 24 months of receipt of the notice, the notice shall be deemed canceled, the notice shall not be extended, and the cancellation shall be noted in the division’s records. The notice shall contain the pertinent data the supervisor requires on printed forms supplied by the division or on other forms acceptable to the supervisor. The supervisor may require other pertinent information to supplement the notice.
23. After the completion of any well, this section also applies as far as may be, to the deepening or redrilling of the well, any operation involving the plugging of the well, or any operations permanently altering in any manner the casing of the well. The number or designation of any well, and the number or designation specified for any well in a notice filed as required by this section, shall not be changed without first obtaining a written consent of the supervisor.
24. If an operator has failed to comply with an order of the supervisor, the supervisor may deny approval of proposed well operations until the operator brings its existing well operations into compliance with the order. If an operator has failed to pay a civil penalty, remedy a violation that it is required to remedy to the satisfaction of the supervisor pursuant to an order issued under Section 3236.5, or to pay any charges assessed under Article 7 (commencing with Section 3400), the supervisor may deny approval to the operator’s proposed well operations until the operator pays the civil penalty, remedies the violation to the satisfaction of the supervisor, or pays the charges assessed under Article 7 (commencing with Section 3400).
25. **copy of well installation authorization; Modification of forms**
26. The division shall require a copy of the local land use authorization that supports the installation of a well at the time an operator submits the notice of intention for the well under Section 3203.
27. The division shall modify its forms used to evaluate notices of intention under Section 3203 to include expiration dates for the required local land use authorizations described in subdivision (a).
28. An operator who, on or after January 1, 2018, engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of a well, or who acquires a well, shall file with the supervisor an individual indemnity bond for each well so drilled, redrilled, deepened, or permanently altered, or acquired in the following amount:
29. Twenty-five thousand dollars ($25,000) for each well that is less than 10,000 feet deep.
30. Forty thousand dollars ($40,000) for each well that is 10,000 or more feet deep.
31. The bond shall be filed with the supervisor at the time of the filing of the notice of intention to perform work on the well, as provided in *Section 3203*, or at the time of acquisition of the well, as provided in *Section 3202*. The bond shall be executed by the operator, as principal, and by an authorized surety company, as surety, on the condition that the principal named in the bond shall faithfully comply with all the provisions of this chapter, in drilling, redrilling, deepening, or permanently altering the casing in any well or wells covered by the bond, and shall secure the state against all losses, charges, and expenses incurred by it to obtain the compliance by the principal named in the bond.
32. The conditions of the bond shall be stated in substantially the following language: “If the \_\_\_\_, the above bounden principal, shall well and truly comply with all the provisions of Division 3 (commencing with *Section 3000) of the Public Resources Code* and shall obey all lawful orders of the State ***Oil*** and Gas Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in that division, and shall pay all charges, costs, and expenses incurred by the supervisor or the district deputy or deputies in respect of the well or wells or the property or properties of the principal, or assessed against the well or wells or the property or properties of the principal, in pursuance of the provisions of that division, then this obligation shall be void; otherwise, it shall remain in full force and effect.
33. This section shall become operative on January 1, 2018.
34. **to cover multiple wells**
35. An operator who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of 20 or more wells at any time, may file with the supervisor one blanket indemnity bond to cover all the operations in any of its wells in the state in lieu of an individual indemnity bond for each operation as required by Section 3204. The bond shall be executed by the operator, as principal, and by an authorized surety company, as surety, and shall be in substantially the same language and upon the same conditions as provided in Section 3204, except as to the difference in the amount. The bond shall be provided in one of the following amounts, as applicable:
36. The sum of two hundred thousand dollars ($200,000), for an operator having 50 or fewer wells in the state, exclusive of properly abandoned wells.
37. The sum of four hundred thousand dollars ($400,000), for any operator having more than 50, but no more than 500, wells in the state, exclusive of properly abandoned wells.
38. The sum of two million dollars ($2,000,000), for any operator having more than 500, but no more than 10,000, wells in the state, exclusive of properly abandoned wells.
39. The sum of three million dollars ($3,000,000), for any operator having more than 10,000 wells in the state, exclusive of properly abandoned wells.
40. This section shall become operative on January 1, 2018.
41. **nd to cover one or more wells on submerged lands; Additional security**
42. Notwithstanding Sections 3204 and 3205, a person who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of one or more wells located on submerged lands under ocean waters within the jurisdiction of this state, shall file with the supervisor a blanket indemnity bond for one million dollars ($1,000,000) to cover all his or her operations in drilling, redrilling, deepening, or permanently altering the casing in any of his or her wells located on those submerged lands. The bond shall be executed by the person, as principal, and by an authorized surety company, as surety, and the conditions of the bond shall be the same as the conditions stated in Section 3204, except for the difference in the amount.
43. In addition to providing the bond required by subdivision (a), a person who operates one or more wells that are located on tide or submerged lands within the jurisdiction of this state shall provide an additional amount of security acceptable to the supervisor, covering the full costs of plugging and abandoning all of the operator’s wells. The supervisor shall determine the amount of the security required of each operator, based on his or her determination of the reasonable costs of that plugging and abandonment, after providing the operator with an opportunity to submit a cost estimate for consideration by the supervisor. The supervisor may not adjust the amount of security required of each operator more frequently than once every three years, to reflect changes in those costs. An operator may self-insure this security obligation if the supervisor, at his or her discretion, determines that the operator has sufficient financial resources to plug and abandon the wells for which the operator is responsible. The security shall remain in effect until all wells are plugged and abandoned in accordance with Section 3208, but the supervisor shall reduce the amount of the security required of an operator to reflect reduced obligations as wells are plugged and abandoned.
44. If the state lease or other agreement that sets forth obligations or performance requirements under the lease provides security that is equal to, or greater than, the total of the additional security required pursuant to subdivision (b), plus all other liabilities under the lease or other agreement, the supervisor shall not require the additional security.
45. **ommercial wastewater disposal well**
46. Notwithstanding Section 3204, any person who engages in the operation of a class II commercial wastewater disposal well, as defined in subdivision (d), shall file an indemnity bond with the supervisor for one hundred thousand dollars ($100,000) for each well so used. The bond shall cover all operations of drilling, redrilling, deepening, altering casing, maintaining, or abandoning the well and attendant facilities. The bond shall be executed by the person as the principal, and by an authorized surety company as the surety, and, except for differences in the amount, shall be in substantially the same language and upon the same conditions as provided in Section 3204.
47. A blanket bond submitted under subdivision (a) of Section 3205 may be used in lieu of the bond required in subdivision (a), except that the termination and cancellation shall be in accordance with subdivision (c) of this section.
48. Notwithstanding Section 3207, any bond issued in compliance with this section may be terminated and canceled and the surety relieved of all obligations thereunder when the well is properly abandoned or another valid bond has been substituted therefor.
49. A class II commercial wastewater disposal well is a well that is used to dispose of oilfield wastewater for a fee and that is regulated by the division pursuant to this chapter and Subpart F (commencing with Section 147.250) of Part 147 of Title 40 of the Code of Federal Regulations.
50. **from operator filing indemnity bond; Estimation of additional costs; Considerations; Liability sharing agreements**
51. The division may require an operator filing an individual indemnity bond pursuant to Section 3204 or a blanket indemnity bond pursuant to Section 3205, as applicable, to provide an additional amount of security acceptable to the division based on the division’s evaluation of the risk that the operator will desert its well or wells and the potential threats the operator’s well or wells pose to life, health, property, and natural resources. The additional security required by the division shall not exceed the lesser of the division’s estimation of the reasonable costs of properly plugging and abandoning all of the operator’s wells and decommissioning any attendant production facilities in accordance with Section 3208, or thirty million dollars ($30,000,000).
52. When making an estimation under this section of the reasonable costs of properly plugging and abandoning an operator’s well or wells and decommissioning any attendant production facilities, the division shall provide the operator with an opportunity to submit the operator’s own estimation and shall consider all of the following:
53. The depth of the well or wells.
54. The accessibility and surroundings of the well or wells and any attendant production facilities.
55. Available information about the condition of the well or wells and any attendant production facilities.
56. Available information about the cost to plug and abandon a comparable well or wells.
57. Available information about the cost to decommission production facilities comparable to the production facilities attendant to the well or wells.
58. The operator’s cost estimates, if provided.
59. Whether the operator is a public utility gas corporation, as defined in subdivision (a) of Section 216 of the Public Utilities Code.
60. Any other information that the division determines to be relevant to the estimation of cost.
61. The division, in evaluating the risk that the operator will desert its well or wells and the potential threats the operator’s well or wells pose to life, health, property, and natural resources, shall consider all of the following:
62. The difference between the estimation of reasonable costs of plugging and abandonment under subdivisions (a) and (b) and the total amount of indemnity bonds or other financial assurances in place to ensure funding of the plugging and abandonment of the operator’s well or wells.
63. The level of current production from the well or wells.
64. Available information regarding estimated reserves remaining in place associated with the well or wells.
65. Whether the well or wells are “critical,” are “environmentally sensitive,” or are in an “urban area,” as those terms are defined by the division in regulation.
66. To the extent that relevant information is available to the division, the financial status of the operator and the operator’s financial capacity to plug and abandon all of the operator’s wells.
67. The past record of compliance by the operator with the division.
68. The number of idle wells to be covered by the indemnity bond and the operator’s record of compliance with the requirements of Section 3206 and the division’s regulations related to the management of idle wells.
69. Whether the operator’s well or wells are subject to any bonding or financial assurance requirements by a local government.
70. Whether the operator’s well or wells are already subject to additional bond coverage by the division pursuant to Section 3270.4.
71. Any other information that the division determines to be relevant to the evaluation of the risk.
72. The division shall provide the operator with notice of the requirement to provide additional security, and the notice shall be served by personal service or certified mail. The operator shall provide the additional security within 180 days of service of notice. The notice shall include an explanation of the division’s estimation of the reasonable costs to plug and abandon the operator’s well or wells and of the basis for the decision to require the operator to provide additional security. The requirements of this subdivision shall also apply to any subsequent increase in the amount of additional security required under subdivision (e).
73. The division shall increase or decrease the amount of additional security required under this section to account for changed circumstances or new information. The operator may, at any time, petition the division to reevaluate the division’s evaluation of the risk or cost estimates, and the division shall respond to the petition in writing within 60 days of receipt of the petition.
74. An operator shall provide additional security required under this section in the form of an indemnity bond, a form of deposit described in Section 995.710 of the Code of Civil Procedure, or any other equally effective means of financial assurance approved by the division. Examples of equally effective means of financial assurance that the division may consider for approval include a letter of credit, a corporate guarantee, a trust fund, or a demonstration of self-insurance.
75. The division may only approve self-insurance as an equally effective means of financial assurance if the operator provides detailed financial information demonstrating to the division’s satisfaction that, based on the considerations under subdivision (c), the risks associated with the operator’s potential for desertion of its well or wells are low. If the division approves self-insurance as an equally effective means of financial assurance, at least once every five years the operator shall update the supporting financial information and the division shall reevaluate whether self-insurance continues to be an equally effective means of financial assurance. If an operator provides financial information to the division under this section that is not otherwise publicly available, the division shall maintain the information as confidential.
76. Any two or more operators may elect to enter into a liability sharing agreement.
77. Operators that elect to participate in a liability sharing agreement shall be jointly and severally liable for all amounts owed under this chapter by all other operators that participate in the liability sharing agreement.
78. The division shall treat all operators that participate in a liability sharing agreement as a single operator when requiring additional security under this section, except that the additional security required by the division shall not exceed the lesser of the division’s estimation of the reasonable costs of plugging and abandoning all of the participating operators’ wells and decommissioning any attendant production facilities in accordance with Section 3208, or thirty million dollars ($30,000,000).
79. A liability sharing agreement is formed when all of the participants have provided the division written notice of intent to participate in the liability sharing agreement with express acknowledgment of all other participants in the agreement.
80. An operator may elect to withdraw from a liability sharing agreement at any time, but all participants in the liability sharing agreement, including the withdrawing participant, shall continue to be jointly and severally liable for all amounts owed under this chapter for a period of five years after the withdrawal.
81. **ond**

In lieu of the bond required by Sections 3204, 3205, 3205.1, and 3205. 2, a deposit may, with the written approval of the supervisor, be given pursuant to Article 7 (commencing with Section 995.710) of Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure, other than a deposit of money or bearer bonds or bearer notes.

1. ***associated with decommissioning offshore oil and gas wells***

Before July 1, 2020, the supervisor shall do all of the following:

1. Evaluate and estimate the costs associated with the decommissioning, including plugging and abandonment pursuant to Section 3208, of the offshore ***oil*** and gas wells under its jurisdiction.
2. If necessary, based on the estimates made pursuant to subdivision (a), develop a schedule to increase the bond amounts or other financial surety provided by an operator of an offshore ***oil*** or gas well to ensure sufficient moneys are available to the state to decommission the well if no other entity is responsible for those decommissioning costs.
3. Coordinate with the State Lands Commission to ensure the actions taken pursuant to this section and Section 6829.3 are not duplicative and are consistent with Section 3205.1.
4. ***operators of oil and gas wells regarding operator’s total liability to plug and abandon wells; Schedule for initial reports***
5. Commencing July 1, 2022, the division shall begin requiring each operator of an ***oil*** or gas well to submit a report to the supervisor that demonstrates the operator’s total liability to plug and abandon all wells and to decommission all attendant production facilities, including any needed site remediation, pursuant to Section 3208 and Article 4.2 (commencing with Section 3250), as applicable, on a schedule determined by the supervisor.
6. For purposes of paragraph (1), the supervisor shall set the schedule in a manner that staggers the initial reports by operators to ensure that some reporting commences on July 1, 2022, that at least one-half of required operators will have submitted their initial report by July 1, 2024, that all initial reporting is completed by July 1, 2026, and that followup reporting is required for each operator on a continual basis that is no less frequent than every five years after the initial report.
7. The division shall develop criteria to be used by operators for estimating costs to plug and abandon wells and decommission attendant production facilities, including site remediation. The criteria shall include, but not be limited to, all of the following requirements:
8. Operators shall calculate the estimated cost to plug and abandon each well and decommission attendant production facilities of the operator using the criteria developed by the division pursuant to this subdivision.
9. For the site of each well, attendant production facility, or lease, the operator shall calculate the estimated cost of full site remediation using criteria developed by the division pursuant to this subdivision.
10. Calculations of estimated costs under this subdivision shall be determined in accordance with generally accepted accounting principles issued by the Financial Accounting Standards Board.
11. In preparing each report for the supervisor pursuant to subdivision (a), the operator shall do both of the following:
12. Calculate cost estimates to plug and abandon wells and decommission attendant production facilities, including site remediation, using the criteria developed by the division pursuant to subdivision (b).
13. Exclude from each initial report due on or before July 1, 2026, all offshore wells and facilities of the operator evaluated pursuant to Section 3205.6. Include in each followup report due after July 1, 2026, all offshore wells and facilities of the operator.
14. If the supervisor determines that the operator has failed to use the requisite criteria or has otherwise provided estimates in the report that are neither credible nor accurate, the supervisor may request the operator to submit revised estimates for review and approval on a timely schedule to be determined by the supervisor. Failure to comply with this requirement or a request pursuant to this section is a violation of this chapter and is subject to any penalty provided by law, including, but not limited to, Sections 3236 and 3236.5.
15. **lls; Plan for management and elimination of long-term idle wells; Hazardous and Idle-Deserted Well Abatement Fund**
16. The operator of any idle well shall do either of the following:
17. No later than May 1 of each year, for each idle well that was an idle well at any time in the last calendar year, file with the supervisor an annual fee equal to the sum of the following amounts:
18. One hundred fifty dollars ($150) for each idle well that has been an idle well for three years or longer, but less than eight years.
19. Three hundred dollars ($300) for each idle well that has been an idle well for eight years or longer, but less than 15 years.
20. Seven hundred fifty dollars ($750) for each idle well that has been an idle well for 15 years or longer, but less than 20 years.
21. One thousand five hundred dollars ($1,500) for each idle well that has been an idle well for 20 years or longer.
22. File a plan with the supervisor to provide for the management and elimination of all long-term idle wells.
23. For the purposes of the plan required by this paragraph, elimination of an idle well shall be accomplished when the well has been properly abandoned in accordance with Section 3208, or it has been shown to the division’s satisfaction that, since the well became an idle well, the well has maintained production of ***oil*** or gas or been used for injection for a continuous six-month period.
24. A plan filed pursuant to this paragraph shall meet all of the following requirements and conditions:
25. The plan shall specify the time period that it covers. The plan and any renewal of the plan shall cover a time period of no more than five years and shall be subject to approval by the supervisor who may prioritize the order in which idle wells are addressed.
26. The plan shall be reviewed for performance annually by the supervisor, and be subject to amendment by the supervisor, or by the operator with the approval of the supervisor.
27. The required rate of long-term idle well elimination shall be based upon the number of idle wells under the control of an operator on January 1 of each year, as specified in clause (iv). The supervisor may require additional well testing requirements as part of the plan.
28. Unless and until the operator has no long-term idle wells, the plan shall require that operators with 250 or fewer idle wells eliminate at least 4 percent of their long-term idle wells each year, and, in no case, less than one long-term idle well; operators with 251 to 1,250, inclusive, idle wells eliminate at least 5 percent of their long-term idle wells each year, and, in no case, less than one long-term idle well; and operators with more than 1,250 idle wells eliminate at least 6 percent of their long-term idle wells each year, and, in no case, less than one long-term idle well.
29. An operator who fails to comply with the plan, as determined by the supervisor after the annual performance review, is not eligible to use the requirements of this paragraph, for purposes of compliance with this section, for any of its idle wells. That operator may not propose a new idle well plan for the next five years. An operator may appeal to the director pursuant to Article 6 (commencing with Section 3350) regarding the supervisor’s rejection of a plan and plan amendments and the supervisor’s determination of the operator’s failure to comply with a plan. If the supervisor’s determination that the operator failed to comply with the plan is not timely appealed, or if the director upholds the supervisor’s determination upon appeal, then the operator shall immediately file the fees required under paragraph (1) for each year that the operator failed to comply with the plan.
30. All fees received under this section shall be deposited in the Hazardous and Idle-Deserted Well Abatement Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the moneys in the Hazardous and Idle-Deserted Well Abatement Fund are hereby continuously appropriated to the department for expenditure without regard to fiscal year, to mitigate a hazardous or potentially hazardous condition, by well plugging and abandonment, decommissioning the attendant production facilities, or both, at a well of an operator subject to the requirements of this section.
31. Failure to file, for any well, the fee required under this section shall be conclusive evidence of desertion of the well, permitting the supervisor to order the well abandoned pursuant to Section 3237.
32. Nothing in this section prohibits a local agency from collecting a fee for regulation of wells.
33. This section shall become operative on January 1, 2018.
34. **s related to idle wells by June 1, 2018**
35. By June 1, 2018, the division shall review, evaluate, and update its regulations pertaining to idle wells. The update shall include idle well testing and management requirements that, at a minimum, include all of the following:
36. Appropriate testing, as determined by the supervisor, to determine whether the fluid level is above the base of an underground source of drinking water.
37. Appropriate testing, as determined by the supervisor, to verify the mechanical integrity of the well.
38. Appropriate remediation, as determined by the supervisor, of idle wells if there is an indication of a lack of mechanical integrity.
39. For a well that has been an idle well for 15 years or more, an engineering analysis demonstrating to the division’s satisfaction that it is viable to return the idle well to operation in the future.
40. If the operator demonstrates to the division’s satisfaction that the well is not within one-half mile of an underground source of drinking water, testing required under the regulations implementing this section shall not be required until at least two years after the well becomes an idle well. This subdivision shall not be construed to prohibit or limit any other testing required under this chapter.
41. At the discretion of the supervisor, the regulations implementing this section may provide an option for temporary or partial well abandonment in lieu of compliance with the requirements of the regulations implementing this section.
42. If the operator does not remediate an idle well as required by the regulations implementing this section, or the operator does not demonstrate that an idle well is economically viable as required by the regulations implementing this section, then the operator shall plug and abandon the idle well in accordance with Section 3208.
43. Failure to file to comply with the requirements of the regulations implementing this section shall be conclusive evidence of desertion of the well, permitting the supervisor to order the well abandoned pursuant to Section 3237.
44. For purposes of this section, an “underground source of drinking water” has the same meaning as in the federal Safe Drinking Water Act 42 U.S.C. Sec. 300f).
45. **issions from idle, idle-deserted, and abandoned wells; Posting of results [Effective until January 1, 2024; Repealed effective January 1, 2024]**
46. The division, in consultation with the State Air Resources Board, shall initiate a study to be conducted by independent experts of fugitive emissions from idle, idle-deserted, and abandoned wells in the state. The independent experts selected shall have experience measuring and documenting emissions from multiple idle and abandoned wells and well sites, preferably at multiple locations within the state.
47. In developing the parameters of the study, the division shall seek input from researchers with expertise in fugitive emissions, ***oil*** and gas operators, and people with relevant experience in nongovernmental organizations. The parameters of the study shall (A) be conducted based on a total well sample not to exceed 500 wells, (B) utilize existing information and technology tools that allow data collection without disruption to a well site, (C) limit surface disturbance associated with any emissions sampling, and (D) limit the total cost of the study to a maximum of one million dollars ($1,000,000).
48. In implementing the study, the division shall seek to minimize costs to operators, and the testing conducted pursuant to this section shall not conflict with a scheduled routine maintenance operation of the well or associated equipment.
49. The study shall be conducted to measure emissions of air pollutants, including, but not limited to, greenhouse gases, toxic air contaminants, and volatile organic compounds, from idle wells, idle-deserted wells, and abandoned wells that can contribute to climate change or endanger occupational and public health and safety through their toxicological properties.
50. The division shall work with the independent experts, ***oil*** and gas operators, and nongovernmental organizations to identify a stratified random sample of wells, and set of pollutants to be measured, from which measurement data can be used to extrapolate to the total number of idle, idle-deserted, and abandoned wells in the state. To the maximum extent possible, the sample shall include emissions data already collected from wells in the state.
51. The sample of wells shall include idle-deserted wells identified by the division, previously abandoned wells, and idle wells that are ordered or permitted to be plugged and abandoned by the division.
52. For purposes of undertaking the study, for a well that is selected for measurement as part of the sample but which is also scheduled to be plugged, abandoned, or reabandoned, before the initiation of physical work to plug, abandon, or reabandon the well the division or the contracted independent experts, with oversight from the division, shall have testing performed for leaks on the well and associated equipment either (A) in accordance with the United States Environmental Protection Agency Reference Method 21, as set forth in Appendix A-7 to Part 60 of Title 40 of the Code of Federal Regulations, as it read on January 1, 2019, (B) by using an optical gas imaging instrument that is operated by a technician with a certification or training in infrared theory, infrared inspections, and heat transfer principles, or (C) in accordance with an alternative methodology developed for the purposes of this study.
53. If, pursuant to paragraph (7), a well is found to emit hydrocarbons in observable quantities using an optical imaging device or in concentrations greater than 1 percent by volume using a United States Environmental Protection Agency Reference Method 21 instrument when tested before the initiation of physical work, the division or the contracted independent experts shall ensure additional testing is performed using a direct measurement method consisting of high volume sampling, bagging, or a calibrated flow measuring instrument to determine the flow rate of atmospheric emissions of total and speciated hydrocarbon pollutants before the initiation of physical work.
54. ***Oil*** and gas operators with wells selected for purposes of sampling under this section shall make reasonable efforts to permit access to the wells to the division and the independent experts contracted to undertake the study if adequate notice is provided to the operator to ensure appropriate safety precautions are taken at the well site. All ***oil*** and gas operators with wells selected for sampling shall submit to the division a certification stating that no action was taken to reduce emissions from the sampling site within 72 hours of the sampling taking place so as to reduce the value of measurements taken.
55. On or before January 1, 2022, the department shall post all results of testing conducted pursuant to subdivision (a) on the department’s internet website in a machine-readable format. On or before January 1, 2021, the department shall produce and post to the department’s internet website an interim progress report describing the status of the study conducted pursuant to this section, including, but not limited to, the number of wells where testing has been completed, the number of wells remaining to be tested, study costs, and any preliminary testing results, as available and subject to the requirement described in paragraph (2) of subdivision (d).
56. On or before July 1, 2022, the independent experts contracted to undertake the study shall complete a written document that includes an executive summary of the findings, a description of the results, the findings, and an estimate of hydrocarbon emissions from the state’s idle, idle-deserted, and abandoned wells.
57. Before public release pursuant to subdivision (e), the written document shall be provided for peer review and comments, to the operators whose wells were included in the sample, and to a group of independent experts and nongovernmental organizations selected by the division.
58. On or before January 1, 2023, the division shall make the results of the study, as per the written document required pursuant to subdivision (d), available on its internet website.
59. This section shall remain in effect only until January 1, 2024, and as of that date is repealed.
60. **on status of idle wells; Public availability of report**
61. Notwithstanding Section 10231.5 of the Government Code, on or before July 1, 2019, and annually thereafter, the supervisor shall, in compliance with Section 9795 of the Government Code, prepare and transmit to the Legislature a comprehensive report on the status of idle and long-term idle wells for the preceding calendar year. The report shall include all of the following:
62. A list of all idle and long-term idle wells in the state by American Petroleum Institute identification number and indicating the operator, field, and pool.
63. A list of all wells whose idle or long-term idle status changed in the preceding year by American Petroleum Institute identification number with the disposition and current status of each well.
64. A list of orphan wells remaining, the estimated costs of abandoning those orphan wells, and a timeline for future orphan well abandonment with a specific schedule of goals. Idle and long-term idle wells that have become orphan wells shall be identified in the list. For the purposes of this report, an orphan well is a well that has no party responsible for it, leaving the state to plug and abandon it.
65. A list of all operators with plans filed with the supervisor for the management and elimination of all long-term idle wells and the status of those plans.
66. Any additional relevant information as determined by the supervisor.
67. The report shall be made publicly available and an electronic version shall be available on the division’s internet website.
68. For the report due on or before July 1, 2022, and each report thereafter, the division shall do both of the following:
69. Conduct inspections of production facilities attendant to long-term idle wells to ensure compliance with the requirements of this chapter. Information summarizing violations and pertinent findings in these inspections shall be included in the applicable report required to be prepared and transmitted pursuant to subdivision (a).
70. Identify idle wells by the American Petroleum Institute identification number that are registered to an operator and that have met the definition of an idle well for three years where neither the required annual fee has been paid or the well is part of a valid idle well management plan on file with the supervisor pursuant to subdivision (a) of Section 3206.
71. For the report due on or before July 1, 2023, and each report thereafter, the division shall provide a description of activities undertaken by the division’s collections unit established pursuant to Section 3243. This description shall include the number of operators and amounts of idle well fees collected by the collections unit in the preceding year, the criteria, including timelines, used by the collections unit to determine a well or attendant facility is deserted, and the amount of costs recovered from operators or responsible parties for work ordered by the supervisor or undertaken by the division. Information related to the division’s use of liens, including, but not limited to, the number of wells and facilities eligible to be subject to a lien, the number of liens placed by the supervisor, and the number of liens released by the supervisor, shall also be provided.
72. Information on how to access the plans described in subparagraph (D) of paragraph (1) of subdivision (a) shall be made readily available on the division’s internet website.
73. The division shall continue to regularly provide updated information describing idle and long-term idle wells on the division’s internet website.
74. ***oil or gas; lists; requests by city or county to plug well; determination of abandonment; evidence***
75. Any city or county may request from the supervisor a list of those wells within its jurisdiction which have not continuously produced ***oil*** or natural gas, or have not been utilized continuously for injection purposes for a six-month period during any consecutive 10-year period prior to or after January 1, 1991.
76. After receiving the list from the supervisor, the city or county may identify idle wells within its jurisdiction which it has determined, based on a competent, professional evaluation, have no reasonable expectation of being reactivated, and formally request the supervisor to make a determination whether the wells should be plugged and abandoned.
77. Upon receiving the written request of a city or county, as specified in subdivision (b):
78. The supervisor may, within 60 days of receiving a written request from a city or county, require the operator or operators to file a statement for each well outlining those reasons why the wells should not be plugged and abandoned.
79. The supervisor shall, within 120 days of receiving a written request, make a determination as to whether any of these wells should be plugged and abandoned, pursuant to the criteria contained in this chapter.
80. Failure of the operator to file, for any well, the statement required under this section shall be conclusive evidence of desertion of the well, thereby permitting the supervisor to order the well abandoned.
81. Any individual or blanket indemnity bond issued in compliance with this chapter may be terminated and canceled and the surety relieved of all obligations thereunder when the well or wells covered by such bond have been properly abandoned pursuant to Section 3208, or another valid bond has been substituted therefor. Should the person who has filed a blanket bond properly abandon a portion of his or her wells covered by the bond, the bond may be terminated and canceled and the surety relieved of all obligations thereunder upon the filing by such person of an individual bond for each well that is still not abandoned. Liability as to individual wells that have been properly abandoned under a blanket bond may also be terminated.
82. This section shall become operative on January 1, 2018.
83. **ment**
84. For the purposes of Sections 3206 and 3207, a well is properly abandoned when it has been shown, to the satisfaction of the supervisor, that all proper steps have been taken to isolate all ***oil***-bearing or gas-bearing strata encountered in the well, and to protect underground or surface water suitable for irrigation or farm or domestic purposes from the infiltration or addition of any detrimental substance and to prevent subsequent damage to life, health, property, and other resources. For purposes of this subdivision, proper steps include the plugging of the well, decommissioning the attendant production facilities of the well, or both, if determined necessary by the supervisor.
85. This section shall become operative on January 1, 2018.
86. **ent; Responsibility for cost; Responsibility to remedy problems posing danger to life, health, or property**
87. To prevent, as far as possible, damage to life, health, and property, the supervisor or district deputy may order the reabandonment of any previously abandoned well if the supervisor or the district deputy has reason to question the integrity of the previous abandonment.
88. The operator responsible for plugging and abandoning deserted wells under Section 3237 shall be responsible for the reabandonment except in the following situations:
89. The supervisor finds that the operator plugged and abandoned the well in conformity with the requirements of this division in effect at the time of the plugging and abandonment and that the well in its current condition presents no immediate danger to life, health, and property but requires additional work solely because the owner of the property on which the well is located proposes construction on the property that would prevent or impede access to the well for purposes of remedying a currently perceived future problem. In this situation, the owner of the property on which the well is located shall be responsible for the reabandonment.
90. The supervisor finds that the operator plugged and abandoned the well in conformity with the requirements of this division in effect at the time of the plugging and abandonment and thatconstruction over or near the well preventing or impeding access to it was begun on or after January 1, 1988, and the property owner, developer, or local agency permitting the construction failed either to obtain an opinion from the supervisor or district deputy as to whether the previously abandoned well is required to be reabandoned or to follow the advice of the supervisor or district deputy not to undertake the construction. In this situation, the owner of the property on which the well is located shall be responsible for the reabandonment.
91. The supervisor finds that the operator plugged and abandoned the well in conformity with the requirements of this division in effect at the time of the plugging and abandonment and after that time someone other than the operator or an affiliate of the operator disturbed the integrity of the abandonment in the course of developing the property, and the supervisor is able to determine based on credible evidence, including circumstantial evidence, the party or parties responsible for disturbing the integrity of the abandonment. In this situation, the party or parties responsible for disturbing the integrity of the abandonment shall be responsible for the reabandonment.
92. For purposes of this section, being responsible for the reabandonment means that the responsible party or parties shall complete the reabandonment and be subject to the requirements of this chapter as an operator of the well. The responsible party or parties shall file with the supervisor the appropriate bond or security in an amount specified in Section 3204, 3205, or 3205.1. If the reabandonment is not completed, the supervisor may act under Section 3226 to complete the work.
93. Except for the situations listed in paragraphs (1), (2), and (3) of subdivision (b), nothing in this section precludes the application of Article 4.2 (commencing with Section 3250) when its application would be appropriate.
94. **977.**
95. **heretofore filed**

The provisions of Section 3207 as to termination and cancellation shall also apply to all bonds which have been heretofore filed with the supervisor as then provided by law.

1. **erator**

The owner or operator of any well shall keep, or cause to be kept, a careful and accurate log, core record, and history of the drilling of the well.

The log shall show the character and depth of the formation passed through or encountered in the drilling of the well. The log shall show completely the amounts, kinds, and size of casing used, the depth at which ***oil***-bearing or gas-bearing strata are encountered, the depth and character of the strata, and whether all water overlying and underlying the ***oil***-bearing or gas-bearing strata was successfully and permanently shut off so as to prevent the percolation or penetration of water into the ***oil***-bearing or gas-bearing strata; and whether strata bearing water that might be suitable for irrigation or domestic purposes are properly protected from the infiltration or addition of detrimental substances from the well.

1. **ord**

The core record shall show the depth, character, and fluid content of cores obtained, so far as determined.

1. **ata on well stimulation treatments**
2. The history shall show the location and amount of sidetracked casings, tools, or other material, the depth and quantity of cement in cement plugs, the shots of dynamite or other explosives, all acid treatment data of any amount, and the results of production and other tests during drilling operations. All data on well stimulation treatments pursuant to Section 3160 shall be recorded in the history.
3. Acid treatment data reported in a well history where the acid treatment occurred before December 31, 2021, and that complies with the requirements of Section 1777.4 of Title 14 of the California Code of Regulations, as it read on December 31, 2021, satisfies the well history acid treatment data reporting requirement in subdivision (a).
4. **inspection**

The log shall be kept in the local office of the owner or operator, and, together with the tour reports of the owner or operator, shall be subject, during business hours, to the inspection of the supervisor, the district deputy, or the director.

1. **copies of records upon cessation or suspension of operations; Inclusion of well stimulation treatment and related information on Internet Web site; Annual report to Legislature on well stimulation treatments**
2. Within 60 days after the date of cessation of drilling, rework, well stimulation treatment, or abandonment operations, or the date of suspension of operations, the operator shall file with the district deputy, in a form approved by the supervisor, true copies of the log, core record, and history of work performed, and, if made, true and reproducible copies of all electrical, physical, or chemical logs, tests, or surveys. Upon a showing of hardship, the supervisor may extend the time within which to comply with this section for a period not to exceed 60 additional days.
3. The supervisor shall include information or electronic links to information provided pursuant to subdivision (g) of Section 3160 on existing publicly accessible maps on the division’s Internet Web site, and make the information available such that well stimulation treatment and related information are associated with each specific well. If data is reported on an Internet Web site not maintained by the division pursuant to paragraph (2) of subdivision (g) of Section 3160, the division shall provide electronic links to that Internet Web site. The public shall be able to search and sort the hydraulic well stimulation and related information by at least the following criteria:
4. Geographic area.
5. Additive.
6. Chemical constituent.
7. Chemical Abstract Service number.
8. Time period.
9. Operator.
10. Notwithstanding Section 10231.5 of the Government Code, on or before July 30 of each year, the supervisor shall, in compliance with Section 9795 of the Government Code, prepare and transmit to the Legislature a comprehensive report on well stimulation treatments in the exploration and production of ***oil*** and gas resources in California. The report shall include aggregated data of all of the information required to be reported pursuant to Section 3160 reported by the district, county, and operator. The report also shall include relevant additional information, as necessary, including, but not limited to, all of the following:
11. Aggregated data detailing the disposition of any produced water from wells that have undergone well stimulation treatments.
12. Aggregated data describing the formations where wells have received well stimulation treatments including the range of safety factors used and fracture zone lengths.
13. The number of emergency responses to a spill or release associated with a well stimulation treatment.
14. Aggregated data detailing the number of times trade secret information was not provided to the public, by county and by each company, in the preceding year.
15. Data detailing the loss of well and well casing integrity in the preceding year for wells that have undergone well stimulation treatment. For comparative purposes, data detailing the loss of well and well casing integrity in the preceding year for all wells shall also be provided. The cause of each well and well casing failure, if known, shall also be provided.
16. The number of spot check inspections conducted pursuant to subdivision (l) of Section 3160, including the number of inspections where the composition of well stimulation fluids were verified and the results of those inspections.
17. The number of well stimulation treatments witnessed by the division.
18. The number of enforcement actions associated with well stimulation treatments, including, but not limited to, notices of deficiency, notices of violation, civil or criminal enforcement actions, and any penalties assessed.
19. The report shall be made publicly available and an electronic version shall be available on the division’s Internet Web site.
20. **th supervisor upon request; signature and service of request.**

The owner or operator of any well, or his local agent, shall file with the supervisor a copy of the log, history, and core record, or any portion thereof, at any time after the commencement of the work of drilling any well upon written request of the supervisor, or the district deputy. The request shall be signed by the supervisor, or the district deputy, and served either personally, or by mailing a copy of the request, by registered mail, to the last known post office address of the owner or operator, or his agent.

1. **jecting natural gas into Aliso Canyon natural gas storage facility until specified conditions met; Criteria and steps for gas storage well comprehensive safety review; Public meeting; Review of proposed maximum reservoir pressure; Use and monitoring of wells returned to service; Inspection of plugged and abandoned wells; Use of wells prior to completion of safety review; Posting of safety review-related materials on division’s Web site [Effective until January 1, 2021; Repealed effective January 1, 2021] [Editor’s Note: There were two versions of § 3217, both of which were repealed on January 1, 2021.]**
2. The supervisor shall continue the prohibition against Southern California Gas Company injecting any natural gas into the Aliso Canyon natural gas storage facility located in the County of Los Angeles until a comprehensive review of the safety of the gas storage wells at the facility is completed and the supervisor determines that well integrity has been ensured by the review, the risks of failures identified in the review have been addressed, and the supervisor’s duty to prevent damage to life, health, property, and natural resources, and other requirements, as specified in Section 3106, is satisfied. The supervisor may not lift the prohibition on injection until the Executive Director of the Public Utilities Commission has concurred via letter with the supervisor regarding his or her determination of safety.
3. For purposes of this section, “facility” means the Aliso Canyon natural gas storage facility located in the County of Los Angeles operated by Southern California Gas Company.
4. The criteria for the gas storage well comprehensive safety review shall be determined by the supervisor with input from contracted independent experts and shall include the steps in subdivision (c).
5. The supervisor shall direct the contracted independent experts to provide a methodology to be used in assessing the tests and inspections specified in the criteria. This requirement may be satisfied by the independent experts reviewing and, if necessary, revising the division’s written methodology for assessing the tests and inspections specified in the criteria. The methodology shall include all tests and inspections required by the criteria. The division shall post the methodology online on a public portion of its Internet Web site.
6. The gas storage well comprehensive safety review shall include the following steps to ensure external and internal well mechanical integrity:
7. All gas storage wells shall be tested and inspected from the surface to the packer or to any wellbore restriction near the top of the geologic formation being used for gas storage, whichever is higher in elevation, to detect existing leaks using temperature and noise logs.
8. Any leaks shall be stopped and remediated to the satisfaction of the supervisor.
9. Following remediation, leak detection tests shall be repeated and results reviewed by the supervisor.
10. Unless a well has been fully plugged and abandoned to the supervisor’s satisfaction and in accordance with Section 3208, the well shall be evaluated and remediated in accordance with subparagraph (B) or plugged in accordance with subparagraph (C).
11. If a gas storage well is intended to return to service for the purposes of resuming injections to the facility, it shall be tested and inspected from the surface to the packer or to any wellbore restriction near the top of the geologic formation being used for gas storage, whichever is higher in elevation, to ensure mechanical integrity. As identified in the division’s criteria, these tests and inspections shall include the measurement of casing thickness and integrity, an evaluation of the cement bond on the casing, the determination as to whether any deformities in the well casing exist, and an evaluation of the well’s ability to withstand pressures that exceed maximum allowable injection and production pressures, with a reasonable margin for safety, at the facility in accordance with the criteria determined by the supervisor with input from independent experts pursuant to subdivision (b). If the tests reveal that a well poses a risk of failure, the supervisor shall require remediation and repeat tests as necessary to demonstrate to the satisfaction of the supervisor that remediation has mitigated any potential identified risks. If the operator cannot remediate the well to mitigate the identified risks to the satisfaction of the supervisor, the well shall be plugged and abandoned in accordance with Section 3208.
12. If a well is to be taken out of service before resumption of gas injections at the facility, it shall be removed from operation and isolated from the gas storage reservoir through plugging according to the division’s criteria, including, but not limited to, the demonstration of sufficient cement to prevent migrations between the reservoir and other zones, placement of a mechanical plug at the bottom of the well, and subsequent filling of the well with fluid, and to specifications approved by the supervisor. All gas storage wells that are taken out of service under this subparagraph shall be subjected to ongoing testing and monitoring requirements identified in the criteria determined by the supervisor with input from independent experts. The monitoring shall include, but not be limited to, real-time and daily pressure monitoring, as applicable. A gas storage well shall not be returned to service unless the testing and remediation required under subparagraph (B) has been completed.
13. A gas storage well, within one year of being plugged and isolated from the gas storage reservoir pursuant to clause (i), shall either be returned to service by satisfactorily completing the testing and remediation required under subparagraph (B) or be permanently plugged and abandoned to the supervisor’s satisfaction in accordance with Section 3208.
14. The supervisor shall make a written finding for each gas storage well that has satisfactorily completed the testing and remediation required under subparagraph (B).
15. The gas storage well comprehensive safety review is not complete until every gas storage well at the facility has completed the testing and remediation required under subparagraph (B) of paragraph (4), been temporarily abandoned and isolated from the reservoir as required under clause (i) of subparagraph (C) of paragraph (4), or been fully plugged and abandoned to the supervisor’s satisfaction in accordance with Section 3208.
16. Upon completion of the gas storage well comprehensive safety review but before authorizing the commencement of injections at the facility, the division shall hold at least one duly noticed public meeting in the affected community to provide the public an opportunity to comment on the safety review findings and on the proposed pressure limit as provided in subdivision (e).
17. Before commencing injections at the facility, the operator of the facility shall provide the division with the proposed maximum reservoir pressure and include data and calculations supporting the basis for the pressure limit. The pressure limit shall account for the pressure required to inject intended gas volumes at all proposed inventory levels and the pressure limit shall not exceed the design pressure limits of the reservoir, wells, wellheads, piping, or associated facilities with an appropriate margin for safety.
18. The operator’s proposed maximum reservoir pressure shall be subject to review and approval by the supervisor, and the supervisor shall consult with independent experts regarding the appropriate maximum and minimum reservoir pressure at the facility.
19. Once the gas storage well comprehensive safety review is complete pursuant to paragraph (5) of subdivision (c), the supervisor has approved the maximum and minimum reservoir pressure pursuant to paragraph (2) of subdivision (e), and the public hearing is held pursuant to subdivision (d), the supervisor may allow injections of natural gas at the facility.
20. All gas storage wells returning to service pursuant to subdivision (f) shall only inject or produce gas through the interior metal tubing and not through the annulus between the tubing and the well casing. The operator shall also conduct ongoing pressure monitoring and comply with any other requirements specified by the supervisor.
21. The gas storage wells at the facility that are plugged and abandoned in accordance with Section 3208 pursuant to this section shall be periodically inspected by the operator for leaks using effective gas leak detection techniques such as optical gas imaging.
22. Before the completion of the gas storage well comprehensive safety review, production of natural gas from gas storage wells at the facility shall be limited to gas storage wells that have satisfactorily completed the testing and remediation required under subparagraph (B) of paragraph (4) of subdivision (c) unless insufficient production capacity is available. Only if production capacity supplied by the tested and remediated wells is demonstrably insufficient may the supervisor allow other gas storage wells to be used.
23. The supervisor shall direct the operator of the facility to provide a plan to ensure, at the earliest possible time, the availability of sufficient gas production capacity using gas storage wells that have satisfactorily completed the testing and remediation required under subparagraph (B) of paragraph (4) of subdivision (c).
24. With respect to the gas storage well comprehensive safety review at the facility, all testing, inspection and monitoring results reported to the division, gas storage well compliance status, any required remediation steps, and other safety review-related materials shall be posted in a timely manner by the division online on a public portion of its Internet Web site.
25. This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.
26. **5**
27. **to prevent blowouts, explosions and fires**

Any person engaged in operating any ***oil*** or gas well wherein high pressure gas is known to exist, and any person drilling for ***oil*** or gas in any district where the pressure of ***oil*** or gas is unknown shall equip the well with casings of sufficient strength, and with such other safety devices as may be necessary, in accordance with methods approved by the supervisor, and shall use every effort and endeavor effectually to prevent blowouts, explosions, and fires.

1. On or before July 1, 2001, the Department of Conservation shall report to the Governor and the Legislature on options for ensuring the existence of blowout insurance for persons engaged in drilling or redrilling exploratory ***oil*** and gas wells in areas where abnormally high or unknown subsurface pressure gradients exist. The report shall consider all of the following:
2. Types of insurance policies, which include control of well policies and policies that cover personal injury and property damage resulting from a catastrophic well blowout occurrence.
3. Methods of setting insurance policy amounts.
4. Forms of insurance, including third-party insurance, provision of an operator’s proof of ability to respond in damages, a combination thereof, or other options.
5. Areas of the state where abnormally high pressure gradients exist, or where insufficient data exists to draw conclusions regarding the subsurface pressure gradient.
6. Any other factors the department deems appropriate to include in the report.
7. The Department of Conservation shall consult with representatives of the ***oil*** industry and insurers in developing the report’s recommendations.
8. **prevent water pollution**

The owner or operator of any well on lands producing or reasonably presumed to contain ***oil*** or gas shall properly case it with water-tight and adequate casing, in accordance with methods approved by the supervisor or the district deputy, and shall, under his direction, shut off all water overlying and underlying ***oil***-bearing or gas-bearing strata and prevent any water from penetrating such strata. The owner or operator shall also use every effort and endeavor to prevent damage to life, health, property, and natural resources; to shut out detrimental substances from strata containing water suitable for irrigation or domestic purposes and from surface water suitable for such purposes; and to prevent the infiltration of detrimental substances into such strata and into such surface water.

1. **6**
2. **notice to district deputy**

The owner or operator of any well shall, at the request of the supervisor, demonstrate that water from any well is not penetrating ***oil***-bearing or gas-bearing strata or that detrimental substances are not infiltrating into underground or surface water suitable for irrigation or domestic purposes. The owner or operator shall give the district deputy adequate notice of the time at which he will demonstrate the test for shutoff in the well.

1. **t; unsatisfactory test; notice; order for additional work and tests**

The district deputy or an inspector designated by the supervisor may be present at the test for shutoff. If the test is personally witnessed by the district deputy or an inspector at the site of the well, such district deputy or inspector shall make a report in writing of the result to the supervisor. A duplicate of the report shall be delivered to the owner.

If any test is unsatisfactory to the supervisor, he shall so notify the owner or operator and shall within five days after the completion of the test, order any additional work and tests necessary to properly shut off the well. In the order the supervisor shall designate a day upon which the owner or operator shall again test for shutoff, which day may, upon the application of the owner or operator, be changed from time to time at the discretion of the district deputy.

1. **dial work with respect to water conditions; service of order; posting and publication**

The supervisor shall order such tests or remedial work as in his judgment are necessary to prevent damage to life, health, property, and natural resources; to protect ***oil*** and gas deposits from damage by underground water; or to prevent the escape of water into underground formations, or to prevent the infiltration of detrimental substances into underground or surface water suitable for irrigation or domestic purposes, to the best interests of the neighboring property owners and the public. The order shall be in writing, signed by the supervisor. It shall be served upon the owner of the well, or his local agent, either personally or by mailing a copy of the order to the post office address given at the time the local agent is designated. If no local agent has been designated, the order shall be served by mailing a copy to the last known post office address of the owner, or if the owner is unknown, by posting a copy in a conspicuous place upon the property, and publishing it once a week for two successive weeks in some newspaper of general circulation throughout the county in which the well is located. The order shall specify the conditions sought to be remedied and the work necessary to protect such deposits from damage from underground water.

1. **rm; Appeal**
2. An order of the supervisor or a district deputy issued pursuant to this chapter shall provide a clear and concise recitation of the acts or omissions with which the operator is charged. The order shall state all penalties and requirements imposed on the operator in connection with the acts or omissions charged and the order shall provide references to the provisions of this code and the regulations that support the imposition of the penalties and requirements.
3. An order requiring an operator to cease and desist operations pursuant to Section 3270.3 shall specify the operations that the operator is required to cease and desist and shall provide a detailed explanation of the steps that the operator shall take before the supervisor will permit the operations to resume.
4. An order of the supervisor or a district deputy shall be in writing and shall be served on the operator by personal service or by certified mail.
5. When the supervisor or a district deputy issues a written order concerning an operation, an appeal may be made from the order pursuant to the procedures contained in Article 6 (commencing with Section 3350). The order shall inform the operator of its right to appeal the order.
6. **work**
7. Within 30 days after service of an order pursuant to Sections 3224 and 3225, or Section 3237, or if there has been an appeal from the order to the director, within 30 days after service of the decision of the director, or if a review has been taken of the order of the director, within 10 days after affirmance of the order, the owner or operator shall commence in good faith the work ordered and continue it until completion. If the work has not been commenced and continued to completion, the supervisor may appoint necessary agents to enter the premises and perform the work. An accurate account of the expenditures shall be kept. Any amount so expended shall constitute a lien against real or personal property of the operator pursuant to the provisions of Section 3423. Before performing such work, the division may impose a lien against the real or personal property of the operator pursuant to Section 3423 in an amount equal to an estimate of the cost of the work based on a bid from a contractor or previous costs to perform comparable work.
8. Notwithstanding any other provisions of Section 3224, 3225, or 3237, if the supervisor determines that an emergency exists, the supervisor may order or undertake the actions the supervisor deems necessary to protect life, health, property, or natural resources.
9. The division’s accounting of actual or estimated costs to perform work ordered shall be served upon the operator by personal service or certified mail. For purposes of Section 3420, charges to an operator pursuant to this section for actual or estimated costs to perform work ordered are delinquent if not paid within 30 days after service of the accounting of costs.
10. ***field pumps; Annual inventory***

The division shall annually provide to the State Water Resources Control Board and the California regional water quality control boards an inventory of all unlined ***oil*** and gas field sumps.

1. **n Reports**
2. The owner of any well shall file with the supervisor, on or before the last day of each month, for the last preceding calendar month, a statement, in the form designated by the supervisor, showing all of the following:
3. The amount of ***oil*** and gas produced from each well during the period indicated, together with the gravity of the ***oil***, the amount of water produced from each well, estimated in accordance with methods approved by the supervisor, and the number of days during which fluid was produced from each well.
4. The number of wells drilling, producing, injecting, or idle, that are owned or operated by the person.
5. What disposition was made of the gas produced from each field, including the names of persons, if any, to whom the gas was delivered, and any other information regarding the gas and its disposition that the supervisor may require.
6. What disposition was made of water produced from each field and the amount of fluid or gas injected into each well used for enhanced recovery, underground storage of hydrocarbons, or wastewater disposal, and any other information regarding those wells that the supervisor may require.
7. The source of water, and volume of any water, reported in paragraph (4), including the water used to generate or make up the composition of any injected fluid or gas. Water volumes shall be reported by water source if more than one water source is used. The volume of untreated water suitable for domestic or irrigation purposes shall be reported. Commingled water shall be proportionally assigned to individual wells, as appropriate.
8. The treatment of water and the use of treated or recycled water in ***oil*** and gas field activities, including, but not limited to, exploration, development, and production.
9. The specific disposition of all water used in or generated by ***oil*** and gas field activities, including water produced from each well reported pursuant to paragraph (1). Water volumes shall be reported by disposition method if more than one disposition method is used. Commingled water shall be proportionally assigned to individual wells, as appropriate.
10. This information shall also include the temporary onsite storage of water, as or if appropriate, and the ultimate specific use, disposal method or method of recycling, or reuse of this water.
11. Any operator that produces ***oil*** by the application of mining or other unconventional techniques shall file a report with the supervisor, on or before March 1 of each year, showing the amount of ***oil*** produced by those techniques in the preceding calendar year.
12. Upon request and making a satisfactory showing therefor, a longer filing period may be established by the supervisor for any particular owner or operator.
13. Notwithstanding subdivision (a), the owner of any well shall file with the supervisor, on a quarterly basis, a statement containing the information required to be reported pursuant to paragraphs (5), (6), and (7) of subdivision (a) in the form designated by the supervisor.
14. The division shall use a standardized form or format to facilitate reporting required pursuant to this section.
15. On or before July 1, 2023, all operators shall provide to the division the information required pursuant to this section electronically.
16. The division shall use noncustom software, as feasible, to implement online reporting by the operator of the information required pursuant to paragraphs (5), (6), and (7) of subdivision (a). This information may be reported separately from other information required to be reported pursuant to this section.
17. For purposes of this section, the following terms have the following meanings:
18. “Source of water” or “water source” means any of the following:
19. The well or wells, if commingled, from which the water was produced or extracted.
20. The water supplier, if purchased or obtained from a supplier.
21. The point of diversion of surface water.
22. “Specific disposition of all water” means the identification of the ultimate specific use, disposal method or method of recycling, or reuse of the water. This includes, but is not limited to, the identification of any treatment or recycling method used, injection of the water into specific injection or disposal well or wells, if commingled, discharge of the water to surface water or sumps, and sale or transfer of the water to a named entity.
23. **stics from statements**

The supervisor shall compile from statements filed pursuant to Section 3227 and publish monthly statistics, within 90 days of the end of each calendar month, showing the amount of ***oil*** and gas produced in the state by field and pool, together with the number of wells producing or idle, all separately stated as to field and pool, with any other information that the supervisor deems proper.

As used in Sections 3227 and 3227.5, the following terms have the following meaning:

1. “Field” means the same general surface area which is underlain, or reasonably appears to be underlain, by one or more pools.
2. “Pool” means an underground reservoir containing, or appearing at the time of determination to contain, a common accumulation of crude petroleum ***oil*** or natural gas or both. Each zone of a general structure which is separated from any other zone in the structure is a separate pool.
3. **s against pollution before abandonment of well**

Before abandoning any well in accordance with methods approved by the supervisor or the district deputy, and under his or her direction, the owner or operator shall isolate all ***oil***-bearing or gas-bearing strata encountered in the well and shall use every effort and endeavor to protect any underground or surface water suitable for irrigation or domestic purposes from the infiltration or addition of any detrimental substances.

1. **abandon well; approval; cancellation after one year**

Before commencing any work to abandon any well, the owner or operator shall file with the supervisor or the district deputy a written notice of intention to abandon the well. Abandonment shall not proceed until approval is given by the supervisor or the district deputy. If the supervisor or the district deputy does not give the owner or operator a written response to the notice of intention within 10 working days, the proposed abandonment shall be deemed to have been approved and the notice of intention shall for the purposes of this chapter be deemed a written report of the supervisor. If abandonment operations have not commenced within one year of receipt of the notice of intention, the notice of intention shall be deemed canceled.

1. **abandon well**

The notice of intention to abandon shall contain the following information:

1. The total depth of the well to be abandoned.
2. The complete casing record of the well, including plugs.
3. Such other pertinent data as the supervisor may require on printed forms supplied by the division or on other forms acceptable to the supervisor.
4. **3**
5. **pproval or disapproval**

The supervisor or the district deputy shall, within 10 days after the receipt of a written report of abandonment, furnish the owner or operator with a written final approval of abandonment, or a written disapproval of abandonment, setting forth the conditions upon which the disapproval is based.

Failure to abandon in accordance with the approved method of abandonment, or failure to notify the supervisor or the district deputy of any test required by the final approval of abandonment to be witnessed by the supervisor, the district deputy, or his or her inspector, or failure to furnish the supervisor or the district deputy, at his or her request, with any information regarding the condition of the well, shall constitute sufficient grounds for disapproval of the abandonment.

1. The division may develop field rules which establish volumetric thresholds for emergency reporting by the operator of ***oil*** discharges to land associated with onshore drilling, exploration, or production operations, where the ***oil*** discharges, because of the circumstances established pursuant to paragraph (1) of subdivision (c), cannot pass into or threaten the waters of the state. The division may not adopt field rules under this section, unless the State Water Resources Control Board and the Department of Fish and Game first concur with the volumetric reporting thresholds contained in the proposed field rules. Subchapter 1 (commencing with Section 1710) of Chapter 4 of Division 2 of Title 14 of the California Code of Regulations shall apply to the adoption and implementation of field rules authorized by this section.
2. The authority granted to the division pursuant to subdivision (a) shall apply solely to ***oil*** fields located in the San Joaquin Valley, as designated by the division. The division shall adopt the field rules not later than January 1, 1998.
3. For purposes of implementing this section, the division, the State Water Resources Control Board, and the Department of Fish and Game shall enter into an agreement that defines the process for establishing both of the following:
4. The circumstances, such as engineered containment, under which ***oil*** discharges cannot pass into or threaten the waters of this state.
5. The volumetric reporting thresholds that are applicable under the circumstances established pursuant to paragraph (1).
6. In no case shall a reporting threshold established in the field rules, where the ***oil*** discharge cannot pass into or threaten the waters of this state, be less than one barrel (42 gallons), unless otherwise established by federal law or regulation. Until field rules are adopted, emergency reporting of ***oil*** discharges shall continue as required by existing statute and regulations.
7. An operator who discharges ***oil*** in amounts less than the volumetric thresholds adopted by the division pursuant to this section is exempt from all applicable state and local reporting requirements. Discharges of ***oil*** in amounts equal to, or greater than, the volumetric thresholds adopted by the division pursuant to this section shall be immediately reported to the Office of Emergency Services which shall inform the division and other local or state agencies as required by *Section 8589.7 of the Government Code*. Reporting to the Office of Emergency Services shall be deemed to be in compliance with all applicable state and local reporting requirements.
8. ***Oil*** discharges below the reporting thresholds established in the field rules shall be exempt from the emergency notification or reporting requirements, and any penalties provided for nonreporting, established under paragraph (1) of subdivision (a) of *Section 13260 of the Water Code*, subdivisions (a), (c), and (e) of *Section 13272 of the Water Code*, *Section 25507 of the Health and Safety Code*, Sections 8670.25.5 and 51018 of the Government Code, and subdivision (h) of *Section 1722 of Title 14 of the California Code of Regulations*. ***Oil*** discharge reporting requirements under *Section 51018 of the Government Code* shall be applicable if a spill involves a fire or explosion.
9. This section shall not affect existing reporting or notification requirements under federal law.
10. Nothing in this section shall be construed to relieve any party of any responsibility established by statute, regulation, or order, to clean up or remediate any ***oil*** discharge, whether reportable or exempt pursuant to this section.
11. Reporting provided pursuant to this section is not intended to prohibit any department or agency from seeking and obtaining any supplemental postreporting information to which the department or agency might otherwise be entitled.
12. For purposes of this section, “***oil***” means naturally occurring crude ***oil***.
13. **on of records and reports**
14. Except as otherwise provided in this section, all the well records, including production reports, of any owner or operator that are filed pursuant to this chapter are public records for purposes of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).
15. Those records are public records when filed with the division unless the owner or operator requests, in writing, that the division maintain the well records of onshore exploratory wells or offshore exploratory wells as confidential information. The records of other wells may be maintained as confidential information if, based upon information in a written request of the owner or operator, the supervisor determines there are extenuating circumstances. For onshore wells, the confidential period shall not exceed two years from the cessation of drilling operations as defined in subdivision (e). For offshore wells, the confidential period shall not exceed five years from the cessation of drilling operations as specified in subdivision (e).
16. Well records maintained as confidential information by the division shall be open to inspection by those persons who are authorized by the owner or operator in writing. Confidential status shall not apply to state officers charged with regulating well operations, the director, or as provided in subdivision (c).
17. On receipt by the supervisor of a written request documenting extenuating circumstances relating to a particular well, including a well on an expired or terminated lease, the supervisor may extend the period of confidentiality for six months. For onshore wells, the total period of confidentiality, including all extensions, shall not exceed four years from the cessation of drilling operations as specified in subdivision (e), and for offshore wells the total period of confidentiality, including all extensions, shall not exceed seven years from the cessation of drilling operations as specified in subdivision (e), unless the director approves a longer period after a 30-day public notice and comment period. The director shall initiate and conduct a public hearing on receipt of a written complaint.
18. Notwithstanding the provisions of subdivision (a) regarding the period of confidentiality, the well records for onshore and offshore wells shall become public records when the supervisor is notified that the lease has expired or terminated.
19. Production reports filed pursuant to Section 3227 shall be open to inspection by the State Board of Equalization or its duly appointed representatives when making a survey pursuant to Section 1815 of the Revenue and Taxation Code or when valuing state-assessed property pursuant to Section 755 of the Revenue and Taxation Code, and by the assessor of the county in which a well referred to in Section 3227 is located.
20. For the purposes of this section, “well records” does not include either experimental logs and tests or interpretive data not generally available to all operators, as defined by the supervisor by regulation.
21. The cessation of drilling operations occurs on the date of removal of drilling machinery from the well site.
22. **975**
23. **visor; own initiative or complaint by affected person; report and order; contents; delivery of copies**
24. The supervisor may upon their own initiative or shall upon receipt of a written complaint from a person owning land, residing, or operating wells within a radius of one mile of any well or group of wells complained against make an investigation of the well or wells involved. The supervisor shall make a written report and order, stating the work required to repair the damage complained of, or stating that no work is required.
25. A copy of the order shall be delivered to the complainant, or if more than one, to each complainant, and, if the supervisor orders the damage repaired, a copy of the order shall be delivered to each of the owners, operators, or agents having in charge the well or wells upon which the work is to be done.
26. The order shall contain a statement of the conditions sought to be remedied or repaired and a statement of the work required by the supervisor to repair the condition.
27. Service shall be made by mailing copies to the persons required under this section at the post office address given.
28. **for failure to comply with act**

Any owner or operator, or employee thereof, who refuses to permit the supervisor or the district deputy, or his inspector, to inspect a well, or who willfully hinders or delays the enforcement of the provisions of this chapter, and every person, whether as principal, agent, servant, employee, or otherwise, who violates, fails, neglects, or refuses to comply with any of the provisions of this chapter, or who fails or neglects or refuses to furnish any report or record which may be required pursuant to the provisions of this chapter, or who willfully renders a false or fraudulent report, is guilty of a misdemeanor, punishable by a fine of not less than one hundred dollars ($100), nor more than one thousand dollars ($1,000), or by imprisonment for not exceeding six months, or by both such fine and imprisonment, for each such offense.

1. **iewability; Supplemental environmental project in lieu of portion of penalty**
2. A person who violates this chapter or a regulation implementing this chapter is, at the supervisor’s discretion, subject to a civil penalty as described in subdivision (b) for each violation. An act of God and an act of vandalism beyond the reasonable control of the operator shall not be considered a violation. The civil penalty shall be imposed by an order of the supervisor pursuant to Section 3225 upon a determination that a violation has been committed by the person charged. The imposition of a civil penalty under this section shall be in addition to any other penalty provided by law for the violation. When establishing the amount of the civil penalty pursuant to this section, the supervisor shall consider, in addition to other relevant circumstances, all of the following:
3. The extent of harm caused by the violation.
4. The persistence of the violation.
5. The pervasiveness of the violation.
6. The number of prior violations by the same violator.
7. The degree of culpability of the violator.
8. Any economic benefit to the violator resulting from the violation.
9. The violator’s ability to pay the civil penalty amount, as determined based on information publicly available to the division.
10. The supervisor’s prosecution costs.
11. For purposes of this section, a “well stimulation violation” is a violation of Article 3 (commencing with Section 3150) or the regulations implementing that article.
12. The civil penalty amount for a well stimulation violation shall be not less than ten thousand dollars ($10,000) per day per violation and not more than twenty-five thousand dollars ($25,000) per day per violation.
13. For purposes of this section, a “major violation” is a violation that is not a well stimulation violation and that is one or more of the following:
14. A violation that results in harm to persons or property or presents a significant threat to human health or the environment.
15. A knowing, willful, or intentional violation.
16. A chronic violation or one that is committed by a recalcitrant violator. In determining whether a violation is chronic or a violator is recalcitrant, the supervisor shall consider whether there is evidence indicating that the violator has engaged in a pattern of neglect or disregard with respect to applicable requirements.
17. A violation where the violator derived significant economic benefit, either by significantly reduced costs or a significant competitive advantage.
18. The civil penalty amount for a major violation shall be not less than two thousand five hundred dollars ($2,500) per violation and not more than twenty-five thousand dollars ($25,000) per violation.
19. For purposes of this section, a “minor violation” is a violation that is neither a well stimulation violation nor a major violation.
20. The civil penalty amount for a minor violation shall be not more than two thousand five hundred dollars ($2,500) per violation.
21. At the supervisor’s discretion, each day a major or minor violation continues or is not cured may be treated as a separate violation.
22. An order of the supervisor imposing a civil penalty shall be reviewable pursuant to Article 6 (commencing with Section 3350). When the order of the supervisor has become final and the penalty has not been paid, the supervisor may apply to the appropriate superior court for an order directing payment of the civil penalty. The supervisor may also seek from the court an order directing that production from the well or use of the production facility that is the subject of the civil penalty order be discontinued until the violation has been remedied to the satisfaction of the supervisor and the civil penalty has been paid.
23. The supervisor may allow a supplemental environmental project in lieu of a portion of the civil penalty amount. The supplemental environmental project may not be more than 50 percent of the total civil penalty amount. Any amount collected under this section that is not allocated for a supplemental environmental project shall be deposited in the ***Oil*** and Gas Environmental Remediation Account, established pursuant to Section 3261.
24. “Supplemental environmental project” means an environmentally beneficial project that a person, subject to an order of the supervisor imposing a civil penalty, voluntarily agrees to undertake in settlement of the action and to offset a portion of a civil penalty.
25. **ndon deserted well or to decommission production facility**
26. The supervisor or district deputy may order the plugging and abandonment of a well or the decommissioning of a production facility that has been deserted whether or not any damage is occurring or threatened by reason of that deserted well or production facility. The supervisor or district deputy shall determine from credible evidence whether a well or production facility is deserted.
27. For purposes of paragraph (1), “credible evidence” includes, but is not limited to, the operational history of the well or production facility, the response or lack of response of the operator to inquiries and requests from the supervisor or district deputy, the extent of compliance by the operator with the requirements of this chapter, and other actions of the operator with regard to the well or production facility.
28. A rebuttable presumption of desertion arises in any of the following situations:
29. If a well has not been completed to production or injection and drilling machinery have been removed from the well site for at least six months.
30. If a well’s production facilities or injection equipment has been removed from the well site for at least two years.
31. If an operator has failed to comply with an order of the supervisor within the time provided by the order or has failed to challenge the order on a timely basis.
32. If an operator fails to designate an agent as required by Section 3200.
33. If a person who is to acquire a well or production facility that is subject to a purchase, transfer, assignment, conveyance, exchange, or other disposition fails to comply with Section 3202.
34. If an operator has failed to maintain the access road to a well or production facility site passable to oilfield and emergency vehicles.
35. The operator may rebut the presumptions of desertion set forth in paragraph (3) by demonstrating with credible evidence compliance with this division and that the well or production facility has the potential for commercial production, including specific and detailed plans for future operations, and by providing a reasonable timetable for putting those plans into effect. The operator may rebut the presumption set forth in subparagraph (F) of paragraph (3) by repairing the access road.
36. An order to plug and abandon a deserted well or to decommission a production facility may be appealed to the director pursuant to the procedures specified in Article 6 (commencing with Section 3350).
37. The current operator, as determined by the records of the supervisor, of a deserted well that produced ***oil***, gas, or other hydrocarbons or was used for injection is responsible for the proper plugging and abandonment of the well or the decommissioning of deserted production facilities. If the supervisor determines that the current operator does not have the financial resources to fully cover the cost of plugging and abandoning the well or the decommissioning of deserted production facilities, the immediately preceding operator shall be responsible for the cost of plugging and abandoning the well or the decommissioning of deserted production facilities.
38. The supervisor may continue to look seriatim to previous operators until an operator is found that the supervisor determines has the financial resources to cover the cost of plugging and abandoning the well or decommissioning deserted production facilities. However, the supervisor may not hold an operator responsible that made a valid transfer of ownership of the well before January 1, 1996.
39. For purposes of this subdivision, “operator” includes a mineral interest owner who shall be held jointly liable for the well and attendant production facilities if the mineral interest owner has or had leased or otherwise conveyed the working interest in the well to another person, if in the lease or other conveyance, the mineral interest owner retained a right to control the well operations that exceeds the scope of an interest customarily reserved in a lease or other conveyance in the event of a default.
40. No prior operator is liable for any of the costs of plugging and abandoning a well or decommissioning deserted production facilities by a subsequent operator if those costs are necessitated by the subsequent operator’s illegal operation of a well or production facility.
41. If the supervisor is unable to determine that an operator who acquired ownership of a well after January 1, 1996, has the financial resources to fully cover the costs of plugging and abandonment of the well or decommissioning deserted production facilities, the supervisor may undertake plugging and abandonment of the well or decommissioning deserted production facilities pursuant to Article 4.2 (commencing with Section 3250).
42. By July 1, 2022, the supervisor shall provide to the Senate Committee on Natural Resources and Water and the Assembly Committee on Natural Resources the process the supervisor has established to determine that the current operator does not have the financial resources to fully cover the cost of plugging and abandoning the well or the decommissioning of deserted production facilities pursuant to paragraph (1), or for a previous operator pursuant to paragraphs (1) and (2). The supervisor shall, in a timely manner, post the materials provided to the legislative committees pursuant to this paragraph on a public portion of the division’s internet website.
43. Notwithstanding any other provision of this chapter, the supervisor or district deputy, at the supervisor’s or district deputy’s sole discretion, may determine that a well that has been idle for 25 years or more and that fails to meet either of the following conditions is conclusive evidence of desertion, and may order the well abandoned:
44. The operator is operating in compliance with a valid idle well management plan that is on file with the supervisor pursuant to paragraph (2) of subdivision (a) of Section 3206 or is covered by an indemnity bond provided under Section 3204, subdivision (a) of Section 3205, or subdivision (a) of Section 3205.2.
45. The well meets the relevant testing standards for idle wells required under the regulations implementing this chapter.
46. The supervisor or district deputy shall provide the operator a 90-day notice of warning once a determination has been reached pursuant to this subdivision that a well has been deserted. An operator may rebut the determination, made pursuant to paragraph (1), of the supervisor or district deputy by demonstrating compliance with subparagraphs (A) and (B) of paragraph (1).
47. An order to plug and abandon a deserted well under this section due to the supervisor’s or district deputy’s determination of an operator’s noncompliance with either subparagraph (A) or (B) of paragraph (1) may be appealed to the director pursuant to the procedures specified in Article 6 (commencing with Section 3350).
48. ***ed, or inactive wells; oil or gas production; rate of charges; procedures***
49. For ***oil*** and gas produced in this state from a well that qualifies under Section 3251 or that has been inactive for a period of at least the preceding five consecutive years, the rate of the charges imposed pursuant to Sections 3402 and 3403 shall be reduced to zero for a period of 10 years. The supervisor or district deputy shall not permit an operator to undertake any work on wells qualifying under Section 3251 unless the mineral rights owner consents, in writing, to the work plan.
50. An operator who undertakes any work on a well qualifying under Section 3251 shall have up to 90 days from the date the operator receives written consent from the supervisor to evaluate the well. On or before the 90 day evaluation period ends, the operator shall file with the supervisor a bond or security in an amount specified in Section 3204, 3205, or 3205.1, in accordance with the requirements of whichever of those sections is applicable to the well, if the well operations are to continue for a period in excess of the 90-day evaluation period. The conditions of the bond shall be the same as the conditions stated in Section 3204.
51. A party may plug and abandon a well that qualifies under Section 3251 by obtaining all necessary rights to the well. That party shall be subject to the requirements of this chapter as an operator of the well, file with the supervisor the appropriate bond or security in an amount specified in Section 3204, 3205, or 3205.1, and complete the abandonment. If the abandonment is not completed, the supervisor may act under Section 3226 to complete the work.

The supervisor, in cooperation with appropriate state and local agencies, shall conduct a study of abandoned ***oil*** and gas wells located in those areas of the state with substantial potential for methane and other hazardous gas accumulations in order to determine the location, the extent of methane gas and other hazardous gas accumulations, and potential hazards from the abandoned wells.

1. **g accumulations of methane and hazardous gas**

The supervisor, in cooperation with appropriate state and local agencies, shall develop a strategy for extracting existing accumulations of methane gas and other hazardous gas from abandoned ***oil*** and gas wells in high-risk areas identified by the supervisor in order to protect the health and safety of the public. The strategy shall also provide plans for the management of methane gas and other hazardous gas from wells in high-risk areas where no accumulations are discovered in order to prevent future accumulations of methane gas and other hazardous gas.

1. **3.**
2. On or before July 1, 2022, the supervisor shall establish a collections unit within the division.
3. The collections unit shall be responsible for identifying persons responsible for charges under this chapter, locating assets belonging to those persons, and fully implementing all of the division’s authorities for collecting the amounts owed.
4. To the extent feasible, the division shall use existing resources and personnel in establishing a collections unit.
5. The requirement imposed by paragraph (1) shall remain operative until January 1, 2027.
6. **nd Facilities**
7. **nd declarations**

The Legislature hereby finds and declares that hazardous and certain idle-deserted ***oil*** and gas wells and hazardous and deserted facilities, as defined in this article, are public nuisances and that it is essential, in order to protect life, health, and natural resources that those ***oil*** and gas wells and facilities be abandoned, reabandoned, produced, or otherwise remedied to mitigate, minimize, or eliminate their danger to life, health, and natural resources.

The Legislature further finds and declares that, although the abatement of such public nuisances could be accomplished by means of an exercise of the regulatory power of the state, such regulatory abatement would result in unfairness and financial hardship for certain landowners, while also resulting in benefits to the public. The Legislature, therefore, finds and declares that the expenditure of funds to abate such nuisances as provided in this article is for a public purpose and finds and declares it to be the policy of this state that the cost of carrying out such abatement be charged to this state’s producers of ***oil*** and gas as provided in Article 7 (commencing with Section 3400).

For the purposes of this article, the following definitions apply:

1. “Deserted facility” means a production facility determined by the supervisor to be deserted under Section 3237 and for which there is no operator responsible for its decommissioning under Section 3237.
2. “Decommission” has the same meaning and requirements, as applicable, as the definition established in Section 1760 of Title 14 of the California Code of Regulations.
3. “Hazardous facility” means a production facility determined by the supervisor to be a potential danger to life, health, or natural resources and for which there is no operator determined by the supervisor to be responsible for its decommissioning under Section 3237.
4. “Hazardous well” means an ***oil*** and gas well determined by the supervisor to be a potential danger to life, health, or natural resources and for which there is no operator determined by the supervisor to be responsible for its plugging and abandonment under Section 3237.
5. “Idle-deserted well” means an ***oil*** and gas well determined by the supervisor to be deserted under Section 3237 and for which there is no operator responsible for its plugging and abandonment under Section 3237.
6. **donment; reabandonment**
7. Notwithstanding Section 3251, a well shall be deemed a hazardous well if it has been determined by the supervisor to pose a present danger to life, health, or natural resources and has been abandoned in accordance with the requirements of the division in effect at the time of the abandonment 15 or more years before the date of the supervisor’s determination that it poses such a danger.
8. Reabandonment initiated by the supervisor shall not be affected by the timeline established in this section.

As used in this article, “natural resources” includes land, water, air, minerals, vegetation, wildlife, historical or aesthetic sites, or any other natural resource which, irrespective of ownership, contributes to the health, safety, welfare, or enjoyment of a substantial number of persons, or to the substantial balance of an ecological community.

If any provisions of this article or the application thereof in any circumstances or to any person or public agency is held invalid, the remainder of this article or the application thereof in other circumstances or to other persons or public agencies shall not be affected thereby.

1. **nd application**

This article shall be liberally construed and applied to promote its purposes.

1. **for abatement**
2. Notwithstanding any other provision of this division, the supervisor may order to be carried out, or may undertake, any of the following operations, as applicable, on any property in the vicinity of which, or on which, is located any well or facility that the supervisor determines to be a hazardous well, an idle-deserted well, a hazardous facility, or a deserted facility:
3. Any inspection or tests necessary to determine what action, if any, would be appropriate to effectuate the purpose of this article.
4. The abandonment of the well.
5. The reabandonment of the well.
6. The redrilling and production of an existing well for purposes of remedying, mitigating, minimizing, or eliminating danger to life, health, and natural resources.
7. The drilling and production of a well for purposes of remedying, mitigating, minimizing, or eliminating danger to life, health, and natural resources.
8. The decommissioning of hazardous or deserted facilities.
9. Any other remedy or oilfield operation calculated to effectuate the purpose of this article.
10. If, pursuant to this article, the supervisor orders that any operation be carried out with respect to a hazardous well, an idle-deserted well, a hazardous facility, or a deserted facility and that operation will, by virtue of the physical occupation or destruction of all or any part of the property or the extraction of ***oil*** or gas from the property, substantially interfere with the enjoyment of the property, the supervisor may acquire, as provided in Section 3256, a minimal interest in the property as is necessary to carry out the operation. No acquisition may be made pursuant to this subdivision unless the supervisor finds and determines that the public benefits to be derived therefrom in remedying, mitigating, minimizing, or eliminating danger to life, health, and natural resources will exceed the cost of the acquisition, irrespective of the manner in which the acquisition is to be funded.
11. An order of the supervisor to carry out any of the operations listed in subdivision (a) may be appealed by the owner of the property pursuant to Article 6 (commencing with Section 3350), except that in the case of an emergency no stay of the supervisor’s order shall accompany the appeal.
12. **y**
13. The division is hereby authorized to accept, and hold for and in the name of the state, by gift, exchange, purchase, negotiation, or eminent domain proceedings, any and all property or appurtenances of every kind and description thereto, including land, leases, easements, rights-of-way, ***oil***, gas, or other mineral rights as the supervisor determines to be required and necessary to carry out operations to effect the purpose of this article.
14. When the division cannot acquire any such necessary property or interest therein by agreement with the owner, any such property or interest therein authorized to be acquired under this article shall be acquired pursuant to provisions of the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code); except that, notwithstanding any provision thereof, the division, in the name of and for the state, may take immediate possession and use of any property required to carry out operations to effect the purpose of this article after eminent domain proceedings are first commenced according to law in a court of competent jurisdiction, and thereupon giving such security as the court in which the proceedings are pending directs to secure to the owner of the property sought to be taken immediate compensation for the taking and any damage incident thereto, including damages sustained by reason of an adjudication that there is no necessity for taking the property.
15. **ent or operation of property**

To effect the purpose of this article, the division is authorized to enter into agreements with any person, public agency, corporation, or other entity for the management or operation of property acquired or for the conduct of any operation ordered pursuant to this article.

1. **ures; Use of Moneys; Criteria for Determining Priority; Reports and Update to Legislature**
2. The division shall not make expenditures from the ***Oil***, Gas, and Geothermal Administrative Fund pursuant to this article that exceed the following sum any one fiscal year:
3. Three million dollars ($3,000,000), commencing on July 1, 2018, for the 2018–19 fiscal year, and continuing for three fiscal years thereafter.
4. Commencing with the 2022–23 fiscal year, and each fiscal year thereafter, five million dollars ($5,000,000). In addition to that amount, both of the following amounts:
5. The amount actually expended by the division in the preceding fiscal year, not to exceed seven million five hundred thousand dollars ($7,500,000), from the dedicated General Fund appropriation for the 2022–23 fiscal year for the purposes of plugging and abandoning wells, decommissioning facilities, and site remediation pursuant to this article.
6. The amount actually expended by the division in the preceding fiscal year, not to exceed seven million five hundred thousand dollars ($7,500,000), from the dedicated General Fund appropriation for the 2023–24 fiscal year, only if there is a dedicated General Fund appropriation for the 2023–24 fiscal year for the purposes of plugging and abandoning wells, decommissioning facilities, and site remediation pursuant to this article.
7. The expenditure limits of subdivision (a) also apply to expenditures by the division from the ***Oil***, Gas, and Geothermal Administrative Fund pursuant to Section 3226, unless the division obtains a lien against real or personal property of the operator. If the division obtains a lien against real or personal property of greater value than the amount of the expenditure, then the amount of the expenditure shall not count against the expenditure limit of subdivision (a). If the division obtains a lien against real or personal property of lesser value than the amount of the expenditure, then only the difference between the amount of the expenditure and the value of the property counts against the expenditure limit of subdivision (a). Any moneys recovered by the division pursuant to Section 3226 shall be deposited in the ***Oil*** and Gas Environmental Remediation Account, unless the moneys are recovered against expenditures that have been or will be made from the Hazardous and Idle-Deserted Well Abatement Fund.
8. Commencing with the 2023–24 fiscal year, in any fiscal year that the division makes expenditures that are less than the amount appropriated pursuant to subdivision (a), the Controller shall transfer from the ***Oil***, Gas, and Geothermal Administrative Fund to the ***Oil*** and Gas Environmental Remediation Account, established pursuant to Section 3261, an amount equal to the difference between what was appropriated and what was expended pursuant to this article by the division for that fiscal year, unless there is more than two hundred million dollars ($200,000,000) in the account.
9. Upon the order of the Department of Finance, the Controller shall transfer the unexpended amount from the ***Oil***, Gas, and Geothermal Administrative Fund to the ***Oil*** and Gas Environmental Remediation Account.
10. Moneys expended pursuant to this article shall be used exclusively for plugging and abandoning hazardous or idle-deserted wells, decommissioning hazardous or deserted facilities, or otherwise remediating well sites of hazardous or idle-deserted wells.
11. The division shall develop criteria for determining the priority of plugging and abandoning hazardous or idle-deserted wells and decommissioning hazardous or deserted facilities to be remediated pursuant to this article and performing work pursuant to Section 3226. The criteria shall consider the information required to be reported pursuant to subdivision (d). The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to the development of criteria by the division pursuant to this subdivision.
12. On April 1, 2021, the department shall report to the Legislature on the number of hazardous wells, idle-deserted wells, deserted facilities, and hazardous facilities remaining, the estimated costs of abandoning and decommissioning those wells and facilities, and a timeline for future abandonment and decommissioning of those wells and facilities with a specific schedule of goals. By April 1, 2022, the department shall report to the Legislature the location of the applicable wells and facilities, including the county in which they are located, if the information is not otherwise included in the April 1, 2021, report described in this paragraph.
13. As part of the report required in subparagraph (A), the department shall provide recommendations to the Legislature for improving and optimizing the involvement of local agencies in the process of plugging and abandoning wells and decommissioning facilities. In drafting these recommendations, the department shall consider factors unique to each of the division’s districts, and shall consult with local agencies in developing recommendations.
14. In collecting the information for the report required in subparagraph (A), the division shall conduct field inspections of hazardous wells, idle-deserted wells, deserted facilities, and hazardous facilities and include information in the report from the field inspections that can be used to prioritize those wells and facilities in the specific schedule of goals.
15. On October 1, 2023, and annually thereafter, the department shall provide to the Legislature an update on the report required in paragraph (1) that describes the total costs, average costs per well and facility, the number of wells plugged and abandoned, the number of facilities decommissioned, the total number of projects completed, and any additional wells and facilities identified by the department requiring abandonment or decommissioning. The update shall include the location, including the county, of applicable wells, facilities, and projects identified in the report.
16. The report and update to the report required to be submitted under this subdivision shall be submitted in compliance with Section 9795 of the Government Code.
17. The expenditure limits in this section do not apply to funds received by the ***Oil***, Gas, and Geothermal Administrative Fund pursuant to a federal grant authorized under the federal Infrastructure Investment and Jobs Act (Public Law 117-58).
18. **1**
19. ***onmental Remediation Account***

For purposes of this article, “account” means the ***Oil*** and Gas Environmental Remediation Account established under Section 3261.

1. ***tal Remediation Account; Administration and management; Use of moneys***
2. Notwithstanding any other provision of this chapter, including the expenditure limitations of Section 3258, the division shall administer and manage the ***Oil*** and Gas Environmental Remediation Account, which is hereby established in the ***Oil***, Gas, and Geothermal Administrative Fund.
3. Moneys in the account shall be used, upon appropriation by the Legislature, to plug and abandon ***oil*** and gas wells, decommission attendant facilities, or otherwise remediate sites that the supervisor determines could pose a danger to life, health, water quality, wildlife, or natural resources if there is no operator determined by the supervisor to be responsible for remediation pursuant to subdivision (c) of Section 3237 or who is able to respond.
4. **s**

The division may adopt regulations to implement this article.

1. **1, 2021)**

This article shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

1. **er the account and cover certain other administrative costs (Repealed January 1, 2017)**
2. **on of fees (Repealed January 1, 2017)**
3. **s [Repealed 2016]**
4. **oduction Facilities**
5. **tandards**
6. The division shall, by regulation, prescribe minimum facility maintenance standards for all production facilities in the state. The regulations shall include, but are not limited to, standards for all of the following:
7. Leak detection.
8. Corrosion prevention and testing.
9. Tank inspection and cleaning.
10. Valve and gauge maintenance, and secondary containment maintenance.
11. Other facility or equipment maintenance that the supervisor deems important for the proper operation of production facilities and that the supervisor determines are necessary to prevent damage to life, health, property, and natural resources; damage to underground ***oil*** and gas deposits from infiltrating water and other causes; loss of ***oil***, gas, or reservoir energy; and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances.
12. An operator who constructs, acquires, maintains, or alters an ***oil*** well or a production facility shall comply with the standards prescribed pursuant to subdivision (a).
13. In a form and at a time prescribed by the division in regulation, an operator shall notify the supervisor of the construction, alteration, or decommissioning of a production facility.
14. An operator shall maintain at the production facility’s local office records of maintenance and repair operations, tests, and inspections, and shall provide the supervisor with access to these records at all times during normal business hours and with copies of the records immediately, upon request.
15. **ngency plan**

Within three months of its acquisition of a production facility or at the time of the initial production at its production facility, the facility operator shall file with the division a spill contingency plan.

1. **ies**

The division shall inspect production facilities to ensure compliance with the standards prescribed in the regulations promulgated pursuant to subdivision (a) of Section 3270.

1. **r for violation**

In addition to any other remedy provided by law, the supervisor, upon his or her determination or that of the district deputy that a production facility is being operated in violation of the standards prescribed in subdivision (a) of Section 3270, may issue a cease and desist order to a production facility operator requiring the operator to cease operation until the operator demonstrates, to the satisfaction of the supervisor, that the violation has been corrected.

1. **r certain operators**
2. In addition to the bonding requirements under Article 4 (commencing with Section 3200), for an operator with a history of violating this chapter or that has outstanding liabilities to the state associated with a well or production facility, the supervisor may require a life-of-well or life-of-production facility bond in an amount adequate to ensure all of the following:
3. The proper plugging and abandonment of each well.
4. The safe decommissioning of each production facility.
5. The financing of spill response and incident cleanup.
6. Upon the failure of an operator to properly plug and abandon a well, decommission a production facility, or perform the appropriate spill response and incident cleanup, the supervisor may levy on the bond to obtain money to pay the cost of the work.
7. The supervisor may release a life-of-production facility bond upon the satisfactory decommissioning of a production facility, or when an operator has provided another valid life-of-production facility bond.
8. The supervisor may release a life-of-well bond upon the satisfactory plugging and abandonment of all wells covered by the bond or when an operator has provided another valid life-of-well bond.
9. Whenever an operator sells, assigns, transfers, conveys, exchanges, or otherwise disposes to another operator a well or production facility that is covered by a life-of-well bond or a life-of-production facility bond, the new operator shall replace the life-of-well or life-of-production bond, as applicable, and maintain the new bond for five years before it may be released by the supervisor.
10. In lieu of the indemnity bond required by this section, the supervisor may accept a deposit given pursuant to Article 7 (commencing with *Section 995.710*) *of Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure*, excluding a deposit of money, bearer bonds, or bearer notes.
11. The supervisor shall adopt regulations specifying the content, including the conditions, of the bond or other security instrument required by this section.
12. **f regulations regarding active pipelines**
13. By January 1, 2018, the division shall review and evaluate, and update as appropriate, its existing regulations regarding all active gas pipelines that are four inches or less in diameter, located in sensitive areas, and 10 years old or older. The division shall make a written finding of its review and evaluation of these pipelines.
14. In its review and evaluation, the division shall consider existing pipeline integrity, pipeline leak detection, and other pipeline assessment requirements imposed by other regulators to determine which of these forms of assessment meet the division’s needs.
15. The regulations shall ensure the integrity and operation of these active gas pipelines pursuant to Sections 3106 and 3270.
16. By January 1, 2018, an operator of an active gas pipeline in a sensitive area shall submit to the division, as part of compliance with pipeline management plan requirements pursuant to Section 1774.2 of Title 14 of the California Code of Regulations, an up-to-date and accurate map identifying the location of the pipeline and other up-to-date and accurate locational information of the pipeline as determined and in a format specified by the division.
17. The division shall perform random periodic spot check inspections to ensure that the information submitted pursuant to paragraph (1) is accurately reported.
18. The division shall maintain a list of active gas pipelines in sensitive areas.
19. For purposes of this section, the following terms are defined as follows:c
20. “Active gas pipeline” means an inservice gas pipeline regardless of diameter that is within the division’s jurisdiction.
21. “Sensitive area” means any of the following:
22. An area containing a building intended for human occupancy, such as a residence, school, hospital, or business, that is located within 300 feet of an active gas pipeline and that is not necessary to the operation of the pipeline.
23. An area determined by the supervisor to present significant potential threat to life, health, property, or natural resources in the event of a leak from an active gas pipeline.
24. An area determined by the supervisor to have an active gas pipeline that has a history of chronic leaks.
25. This section does not affect or limit the authority of the supervisor pursuant to Section 3106, 3270, or any other section of this code, or any regulation implementing those sections.
26. **ion and local health officer in case of gas leak**

Upon the discovery of a leak from an active gas pipeline that is within a sensitive area, as defined in Section 3270.5, the owner or operator of the pipeline shall promptly notify the division and the local health officer, or his or her designee, of the jurisdiction in which the leak is located.

1. **Zones**

For purposes of this article, the following definitions apply:

1. “Area” means surface area, and all measurement of distances is on the surface of the land.
2. “Health protection zone” means the area within 3,200 feet of a sensitive receptor. The measurement shall be made from the property line of the receptor unless the receptor building is more than 50 feet set back from the property line, in which case the measurement shall be made from the outline of the building footprint to 3,200 feet in all directions.
3. “Sensitive receptor” means any of the following:
4. A residence, including a private home, condominium, apartment, and living quarter.
5. An education resource, including a preschool, school maintaining transitional kindergarten, kindergarten, or any of grades 1 to 12, inclusive, daycare center, park, playground, university, and college. Where a university or college is the only sensitive receptor within 3,200 feet of the operator’s wellheads or production facilities, the university or college is not a sensitive receptor if the operator demonstrates to the division’s satisfaction that no building with nominal daily occupancy on the university or college campus is located within 3,200 feet of the operator’s wellheads or production facilities.
6. A community resource center, including a youth center.
7. A health care facility, including a hospital, retirement home, and nursing home.
8. Live-in housing, including a long-term care hospital, hospice, prison, detention center, and dormitory.
9. Any building housing a business that is open to the public.
10. **intention; Sensitive receptor inventory**
11. Notwithstanding any other law, commencing January 1, 2023, the division shall not approve any notice of intention under Section 3203 within a health protection zone, except for approvals of notices of intention necessary for any of the following purposes:
12. To prevent or respond to a threat to public health, safety, or the environment.
13. To comply with a court order finding that denying approval would amount to a taking of property, or a court order otherwise requiring approval of a notice of intention.
14. To plug and abandon or reabandon a well, including an intercept well necessary to plug and abandon or reabandon a well.
15. An operator who submits a notice of intention under Section 3203, except for notices of intention described in paragraph (3) of subdivision (a), shall submit a sensitive receptor inventory and map pursuant to Section 3285 of the area within the 3,200-foot radius of the wellhead or proposed wellhead location to the division with the notice of intention or a statement certifying that the operator has confirmed, and the division has verified, that there are no sensitive receptors located within 3,200 feet of the wellhead location. The operator shall submit the sensitive receptor inventory and map in a format that complies with all requirements of the federal Americans with Disabilities Act of 1990 (Public Law 101-336) and its implementing regulations for online viewing. If the inventory or map includes any personally identifiable information, the operator shall submit a second version with the personally identifiable information redacted. Inventories and maps with no personally identifiable information shall be made available to the public in compliance with Section 3234. No new production facilities shall be constructed or operated in a health protection zone unless associated with a notice of intention approved pursuant to subdivision (a) or as determined by the division to be necessary to protect public health and safety.
16. If a notice of intention is approved pursuant to paragraph (2) of subdivision (a), the approval shall require the operator of the ***oil*** or gas well to provide an individual indemnity bond sufficient to pay the full cost of properly plugging and abandoning the operator’s well or wells, and decommissioning any attendant production facilities in the health protection zone. The division shall determine the amount of the individual indemnity bond in accordance with subdivision (b) of Section 3205.3. The bond shall be executed by the operator, as principal, and by an authorized surety company, as surety, and shall be in substantially the same language and upon the same conditions as provided in Section 3204, except as to the difference in the amount. The operator’s blanket indemnity bond authorized pursuant to Section 3205 shall not be used to satisfy this subdivision.
17. Underground gas storage wells and attendant production facilities are not subject to this article.
18. **and declarations; Approval of notices of intention for land containing idle-deserted or previously plugged and abandoned wells**
19. The Legislature finds and declares that development of ***oil*** and gas fields into nonfossil fuel production and injection and related uses, including, but not limited to, housing, recreation, and commercial development, may have plugged and abandoned wells or may require existing ***oil*** and gas wells to be plugged and abandoned, or replugged and abandoned, to current statutory and regulatory standards, and that the creation of health protection zones, and the related restrictions and requirements of this article, do not apply in the context of development for nonfossil fuel production and injection and related uses.
20. Notwithstanding any contrary provisions of subdivision (a) of Section 3281, the division may approve notices of intention pursuant to Section 3203 to public and private entities who own, purchase, or lease land containing idle-deserted or previously plugged and abandoned wells for the purposes of those public and private entities plugging and abandoning, or replugging and abandoning, those ***oil*** and gas wells so development of nonfossil fuel production and injection and related uses can proceed. This may include, without limitation, a notice of intention to drill or rework an intercept well, if needed to plug and abandon or replug and abandon another well on the condition that the intercept well is itself plugged and abandoned. The public and private entities, as well as any lessees, tenants, or other occupants, shall not engage in ***oil*** or gas development or production or injection or related uses for which they have submitted a notice of intention pursuant to this subdivision.
21. ***r gas production facilities or wells with wellhead***

Commencing January 1, 2025, all ***oil*** or gas production facilities or wells with a wellhead within a health protection zone shall be in compliance with all of the following requirements:

1. The operator is required to comply with the terms and conditions of all applicable federal, state, and local permits required to operate the well and facility.
2. If not otherwise required by law or regulation, clearly post contact information for where to address complaints about noise, odor, and other concerns on the perimeter of the site. This information shall include responsible persons employed by the operator, as well as enforcement officials in the city, county, or city and county, and air district, in which the facility is located. The size and format of the posted information shall be consistent with existing requirements.
3. Unless more stringent local requirements apply, between 8 p.m. and 7 a.m., sound levels from ***oil*** and gas production operations shall not exceed ambient noise levels, as measured at the property line.
4. Unless more stringent local requirements apply, minimize light generated at an ***oil*** or gas well or production facility to reduce light traveling beyond property boundaries. Except as needed in emergency circumstances, operators shall use only such lighting as is necessary to provide the minimum intensity and coverage for safety and basic security between the hours of 8 p.m. and 7 a.m. Lighting shall be hooded or otherwise directed so that it shines onto only the operator’s property and not onto adjacent properties or into the sky.
5. Unless more stringent local requirements apply, employ operational measures to prevent dust and particulates from migrating beyond property boundaries. Dust control measures to be employed within property boundaries shall include, but are not limited to, the following:
6. Limiting vehicle speeds on unpaved roads to 15 miles per hour or less.
7. Containing or covering stored sands, drilling muds, and excavated soil.
8. Immediately suspending the use of a production facility if the production facility, including all permanent and temporary equipment within the health protection zone that emits vapors, such as tanks, vessels, separation facilities, gas processing units, and other equipment holding petroleum liquids or produced water, is not in compliance with all applicable air district requirements relating to preventing vapor venting to the atmosphere.
9. The operator is required to provide the division with representative chemical analyses for all produced water transported away from the oilfield where it was produced.
10. Chemical analysis required under this subdivision shall be in accordance with the analytical specifications for liquid analysis detailed in Section 1724.7.2 of Title 14 of the California Code of Regulations, and shall be filed with the division within three months of produced water being transported from the oilfield and whenever the source of produced water is changed.
11. For the purposes of this subdivision, the source of produced water is changed if the treatment process or additives are changed, if a contributing source is added or removed, or if there is a significant change to the relative contribution of individual sources such that the last chemical analysis is not representative of the produced water being transported from the oilfield.
12. **ponse plan**
13. All operators with a production facility or well with a wellhead in a health protection zone shall develop a leak detection and response plan that shall be submitted to the division no later than January 1, 2025, and fully implemented by operators by January 1, 2027. For any leak detection and response plan submitted by January 1, 2025, the division shall either approve the plan or provide notice of deficiencies by January 1, 2026. Commencing January 1, 2027, the operator shall suspend all production and injection operations within a health protection zone unless an approved leak detection and response plan is fully implemented in that area. A leak detection and response plan is subject to review and approval by the division, in consultation with and with the concurrence of the State Air Resources Board, and shall include all of the following:
14. The leak detection and response plan shall identify the chemical constituents, such as methane and hydrogen sulfide, as well as potential toxics of highest concern in the region as identified by the State Air Resources Board or local air district that will be detection targets for the emissions detection system to ensure early detection of leaks that otherwise may result in emissions impacting the surrounding communities. Not all chemical species that may be found in the oilfield are required to be detection targets and methane may serve as a surrogate for chemical constituents that cannot be continuously monitored but are identified in the leak detection and response plan. The State Air Resources Board and the State Water Resources Control Board shall adopt regulations as necessary to implement and set performance standards by regulation for the emissions detection system. The division, the State Air Resources Board, and the State Water Resources Control Board may adopt such regulations under an emergency rulemaking process as provided in Section 3288.
15. The leak detection and response plan shall include a continuously operating emissions detection system designed to provide for rapid detection of target chemical constituents to identify leaks before emissions impact the surrounding communities. Sampling locations and sample inlets shall be sited consistent with local meteorology and best practices.
16. The emissions detection system shall include an alarm system that effectively, immediately, and reliably alerts the operator when triggered.
17. The emissions detection system shall include a new, or use an existing, meteorological system that is appropriately sited with the ability to continuously record measurements.
18. The leak detection and response plan shall include an alarm response protocol that provides for immediate action to rapidly identify and fix the leak that is the source of the emissions. In the event that the source of the emissions is not identified and the leak stopped within 48 hours of the leak being identified, the alarm response protocol shall include a communication plan for notification of local emergency responders and public health authorities, the division, and people in the community, including notification in languages that are easily understood by the affected community. The alarm response protocol shall provide for compliance with all local, state, and federal requirements for reporting leaks of hazardous emissions. The operator shall consult with local emergency response entities when preparing the alarm response protocol and shall engage in drills as deemed necessary by the local emergency response entity. The alarm response protocol shall provide for collection and determination of the chemical composition of a representative sample near the leak when a continuous alarm event indicates that emissions from the leak may have impacted the surrounding community, and the subsequent collection and determination of the chemical composition of samples when there is reason to believe that the composition of the emissions may be changing. If the source of the emissions is a leak from a well or production facility, the operator shall suspend use of the well or production facility until the leak has been corrected and the division has approved the resumption of its use. Where the operator can demonstrate to the division that the source of the emissions is not related to the ***oil*** and gas operations, the division may waive any additional actions required under the alarm response protocol.
19. The division and the State Air Resources Board shall collaborate to develop methods for providing public access to data generated by operators from emissions detection systems.
20. The division shall hold no less than three public workshops following the enactment of the emergency regulations pursuant to Section 3288 to provide information and guidance to operators and the public on the development of leak detection and response plans pursuant to this section.
21. An operator’s leak detection and response plan shall be reviewed and updated by the operator, subject to division approval, at least once every five years from the date of its initial approval by the division. The division shall hold at least one public technical workshop at least biennially to provide information and guidance to operators on best practices for the development, review, and update of leak detection and response plans.
22. The operator shall record and maintain records of emissions and meteorological monitoring, including the composition of any samples collected during leak events, for 10 years.
23. Notwithstanding Section 10231.5 of the Government Code, commencing July 1, 2023, and at six-month intervals thereafter, the supervisor shall notify the applicable legislative budget and policy committees on progress, including milestones, towards achieving the deadlines in subdivision (a) for the development, approval, and implementation of the leak detection and response plans.
24. **ers and tenants; Water sampling and testing**
25. Before commencing any work that requires a notice of intention under Section 3203 in the health protection zone, the operator shall contact property owners and tenants within a 3,200-foot radius of the wellhead in writing with a record of delivery and offer to sample and test water wells or surface water on their property before and after drilling.
26. The operator shall contact property owners and tenants as specified in subdivision (a) at least 30 days before commencing drilling. If a property owner or tenant requests sampling and testing of a water well or surface water, drilling may not commence until a baseline water sample has been collected, provided that the owner’s or tenant’s request is delivered in writing with a record of delivery to the operator within 20 days from the date notice is provided and the surface property owner makes necessary accommodations to enable the collection of a water sample within 10 days from the date notice is provided. The operator shall collect a followup water sample no sooner than 30 days, and no later than 60 days, after drilling is complete. The costs of sampling and testing required under this section shall be borne by the operator.
27. Before commencing drilling in the health protection zone, the operator shall provide to the division documentation of the effort to identify and notify property owners and tenants as required.
28. The operator shall conduct water sampling and testing, both baseline and followup, pursuant to this section, in accordance with all of the following requirements:
29. Water quality sampling shall be conducted by appropriately qualified personnel in a manner consistent with standard environmental industry practice and chain of custody protocols. Documentation of the sampling process shall accurately describe the location that the sample was taken from and the process for collecting the sample.
30. Water quality analytical testing shall be performed by a laboratory that has been accredited under the State Water Resources Control Board’s Environmental Laboratory Accreditation Program to perform the tests necessary to complete the required analysis under this subdivision, except for those tests labeled as field tests, that may be conducted by any person qualified to sample and interpret the results of the required test.
31. Water quality testing shall include baseline measurements before the commencement of the drilling, and followup measurements after drilling is completed.
32. Liquid analysis required under this subdivision shall include testing for all of the following: total dissolved solids; total petroleum hydrocarbon as crude ***oil***; major cations (Ca, Mg, Na, K, Fe, Mn, Sr, B); major anions (CI, SO4, HCO3, CO3, Br, I, NO3); any constituents listed in subparagraphs (A) and (B) of paragraph (2) of subdivision (a) of Section 66261.24 of Title 22 of the California Code of Regulations; radionuclides; appropriate indicator chemicals for drilling mud and fluids used for well cleanout; total alkalinity and hydroxide; electrical conductance; pH; and temperature.
33. The division or the regional water quality control board may require testing for additional constituents on a case-by-case basis.
34. Within 120 days after drilling in the health protection zone is complete, the results of any baseline and followup water quality testing shall be provided by the operator to the division, the appropriate regional water quality control board, the State Water Resources Control Board, the surface property owner, and the requesting tenant.
35. The appropriate regional water quality control board shall be notified at least five working days before collecting a sample under this section so that regional water quality control board staff may witness the sampling.
36. Water quality data collected under this section shall be submitted to the State Water Resources Control Board and the appropriate regional water quality control board in an electronic format that follows the guidelines detailed in Chapter 30 (commencing with Section 3890) of Division 3 of Title 23 of the California Code of Regulations within 120 days after drilling is complete.
37. If the property owner or tenant is unable to provide the necessary access to perform baseline or followup testing under this section, then failure to do the testing is not a violation of this section. The division may waive the requirements of this section if the operator demonstrates that the delay in well work associated with the requirements of this section is likely to result in significant damage to life, health, or natural resources. The operator is not required to sample or test water under this section if the relevant authorities have determined that the water is not an underground source of drinking water, as defined in the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et. seq.), and the water has no beneficial uses, in accordance with subdivision (f) of Section 13050 of the Water Code.
38. **entory and map**
39. Every operator shall submit to the division by July 1, 2023, a sensitive receptor inventory and map that includes the following:
40. A list of all sensitive receptors within 3,200 feet of an operator’s wellheads and production facilities by field. For each sensitive receptor listed, the operator shall provide all of the following:
41. The distance from the sensitive receptor to each wellhead or production facility that is located within 3,200 feet of that specific receptor. The well shall be identified by API number, and the production facility shall also be explicitly identified. Latitude and longitude shall also be provided for the wellhead and production facility.
42. The type of sensitive receptor.
43. A map showing each sensitive receptor’s location in relation to the operator’s wellheads and production facilities.
44. A statement from each operator based on their sensitive receptor inventory that provides the operator’s determination as to whether their wellheads and production facilities are located within 3,200 feet of a sensitive receptor. An operator who has identified sufficient sensitive receptors such that their entire operation is located within a health protection zone may cease adding new sensitive receptors to their inventory and make a determination that all of their wellheads and production facilities are located within a health protection zone.
45. By July 1 of each year, all operators shall submit to the division a sensitive receptor inventory and map pursuant to subdivision (a) that is up to date, with information no more than 90 days old, and shall make a new determination regarding the location of each of their wellheads and production facilities within a health protection zone. If there have been no changes to the location of sensitive receptors in the 3,200 feet surrounding the operator’s wellheads and production facilities, the operator shall submit a statement that no changes to the determination are needed.
46. The division shall review for completeness and accuracy no less than 30 percent of the inventories and associated maps submitted annually pursuant to this section. The division shall notify operators of any discrepancies in the submitted inventories and maps as determined by the division.
47. The division shall make available to the public on its internet website all current sensitive receptor inventories and maps.
48. **ided to division**
49. Commencing January 1, 2027, and no less than annually on a date to be determined by the division, an operator with a wellhead or other production facility or facilities in a health protection zone shall provide at least the following information to the division by location in a format that complies with all requirements of the federal Americans with Disabilities Act of 1990 (Public Law 101-336) and its implementing regulations for online viewing:
50. The number of and amounts of time the emissions detection system was not operating.
51. The number of validated alarms, and the reasons for the alarms.
52. The number of leaks that occurred, the time needed to repair the leak, and a brief description of the leak, including the impact on air quality and community exposure.
53. The number of times the surrounding community was notified after a leak persisted for 48 hours.
54. The number of times and length of time production and injection operations and other use of the facility were suspended due to leaks.
55. Any baseline and postdrilling groundwater testing performed by location.
56. The division shall make the information submitted by the operators available to the public on its internet website.

Notwithstanding Section 10231.5 of the Government Code, on or before July 1, 2027, and annually thereafter, the division shall provide a legislative report to the applicable budget and policy committees regarding the implementation of health protection zones by the division. The reports shall include at least the following:

1. The number and types of wells and attendant facilities in health protection zones by operator and field.
2. The estimated population protected by the health protection zone.
3. The status of leak detection and response plans by operation and location.
4. The number and type of notices of intention approved in health protection zones and the reason the notices of intention received approval by operator and field.
5. The number of sensitive receptor inventories and maps received by the division by operator and field.
6. Aggregated information by operator and location of leaks detected and alarms associated with the leaks.
7. The number of notices of violation issued by the division for dust control, excess noise and light, and other requirements pursuant to this article by operator and field.
8. The number of orders issued by the supervisor pursuant to this article by operator and field.
9. The number of times by operator and location that baseline and postdrilling groundwater testing was performed.

The division, the State Air Resources Board, and the State Water Resources Control Board may prescribe, adopt, and enforce any emergency regulations as necessary to implement, administer, and enforce its duties under this article. Any emergency regulation prescribed, adopted, or enforced pursuant to this article shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding any other law, the emergency regulations adopted by the division, the State Air Resources Board, and the State Water Resources Control Board may remain in effect for two years from adoption.

1. **tion of State Water Resources Control Board, regional water quality control boards, State Air Resources Board, and local air quality districts; City and county regulations**
2. No provision of this article is a limitation on the authority or jurisdiction of the State Water Resources Control Board, the regional water quality control boards, the State Air Resources Board, or local air quality districts.
3. This article does not prohibit a city, county, or city and county from imposing more stringent regulations, limits, or prohibitions on ***oil*** and gas development.
4. **ding regarding implementing and enforcing health protection zones**

The State Air Resources Board, relevant local air districts, the State Water Resources Control Board, and relevant local water quality control boards shall enter into memoranda of understanding with the division to clearly delineate respective responsibilities for implementing and enforcing health protection zones. These memoranda of understanding shall be executed by June 1, 2023. The division may pursue additional memoranda of understanding with other state and local entities as needed.

1. **r to deny, revoke, or suspend permits**

This article does not diminish or alter the authority of the supervisor to deny, revoke, or suspend permits to meet the division’s purpose to protect public health and safety and environmental quality, including the reduction and mitigation of greenhouse gas emissions, or the supervisor’s repeated obligation pursuant to this division to supervise certain ***oil*** and gas related operations to prevent, as far as possible, damage to life, health, property, natural resources, or underground and surface waters suitable for irrigation or domestic purposes, among other reasons.

1. **of Gas**
2. **gas declared unlawful; evidence of waste**

The unreasonable waste of natural gas by the act, omission, sufferance, or insistence of the lessor, lessee or operator of any land containing ***oil*** or gas, or both, whether before or after the removal of gasoline from the gas, is opposed to the public interest and is unlawful. The blowing, release, or escape of gas into the air shall be prima facie evidence of unreasonable waste.

1. ***tive development of oil and gas; binding effect and enforceability***

Whenever the supervisor finds that it is in the interest of the protection of ***oil*** or gas from unreasonable waste, the lessors, lessees, operators or other persons owning or controlling royalty or other interests in the separate properties of the same producing or prospective ***oil*** or gas field, may, with the approval of the supervisor, enter into agreements for the purpose of bringing about the cooperative development and operation of all or a part or parts of the field, or for the purpose of bringing about the development or operation of all or a part or parts of such field as a unit, or for the purpose of fixing the time, location, and manner of drilling and operating of wells for the production of ***oil*** or gas, or providing for the return of gas into the sub-surface of the earth for the purpose of storage or the repressuring of an ***oil*** or gas field. Any such agreement shall bind the successors and assigns of the parties thereto in the land affected thereby and shall be enforceable in an action for specific performance.

1. **nt to director of waste of gas; hearing**

Upon complaint being made to the director by any person operating in any ***oil*** field that there is occurring or threatened an unreasonable waste of gas in any field or fields, and when a petition is filed with the director requesting that a hearing be held to consider whether such waste is occurring or threatened, if it appears to the director that there is probable cause for such complaint, he shall order the supervisor to hold such a hearing and to fix a time and place therefor. A hearing may also be ordered by the director on the application of the supervisor.

1. **tents; service and publication of notice; effect of failure to serve**

Notice of the time and place of the hearing shall be given by publication in a newspaper printed and published in the county in which the unreasonable waste of gas is alleged to be taking place or to be threatened. The notice shall specify the commonly accepted name or a general description of the field or locality. Publication shall be daily for five days prior to the time of the hearing. The supervisor shall also send notice by mail to each lessor, lessee, or operator, known to him, of any well in the field. Failure to send such written notice shall not affect the validity of the proceeding.

The place of hearing shall be in the county or in any of the counties in which the unreasonable waste of gas is alleged to be taking place or to be threatened.

1. **tnesses; rules applicable; assistance of hearing officer**

At the hearing all persons interested are entitled to be heard and may present testimony either oral or written. All witnesses shall be sworn, and a transcript of the proceedings shall be kept by a stenographic reporter. All the provisions of this chapter in reference to the subpoenaing of witnesses and the taking of depositions are applicable to the hearing before the supervisor. On the request of the supervisor, a hearing officer in the Office of Administrative Hearings may assist and rule upon legal matters, but such officer shall not make the determination specified in Section 3306.

1. **of gas by supervisor**

Upon the conclusion of the hearing, the supervisor shall determine whether or not there is an unreasonable waste of gas in the field, in existence or threatened, and shall also determine the extent to which the waste of gas, occurring or threatened, is unreasonable.

1. **as to unreasonable waste of gas**

If it appears that gas is being produced from any ***oil*** well or wells in quantities exceeding a reasonable proportion to the amount of ***oil*** produced from the same well or wells, even though it is shown that such excess gas is being used in the generation of light, heat, power, or any other industrial purpose, the supervisor shall hold that such excess production of gas is unreasonable waste.

1. **finding waste of gas to be unreasonable; duty to obey order**

If the waste of gas is found to be unreasonable, an order shall be made by the supervisor directing that the unreasonable waste of gas be discontinued or refrained from to the extent stated in the order. The sale or delivery of gas to another by a lessor, lessee, or operator shall be no defense, excuse, or reason for any lessor, lessee, or operator disobeying an order of the supervisor directing the discontinuance or curtailment of the production of the well or wells from which gas is being produced.

1. **finality**

A copy of the supervisor’s order shall be posted in a conspicuous place upon the property affected, and the order shall become final 10 days after posting, unless it is appealed from as provided in Section 3350.

1. **of order of supervisor with director; proceedings for enforcement; venue; parties**

Filing copy with director; enforcement proceedings. When the decision of the supervisor that there is an unreasonable waste of gas occurring or threatened has become final, a certified copy thereof shall be filed with the director. The director, unless the order is complied with voluntarily, shall have proceedings instituted in the name of the people of the State of California to enjoin the unreasonable waste of gas.

Venue; parties. Such proceedings shall be instituted in the superior court of the county in which is situated the property, or any part thereof, where the wastage is occurring or is threatened. Any number of defendants may be joined in the same proceeding, although their properties and interests may be severally owned and their actual or threatened unreasonable wastage of gas may be separate and distinct, if the actual or threatened unreasonable waste by all of the defendants is in, or with reference to, the same producing or prospective ***oil*** or gas field.

1. **g order or injunction; conduct of proceedings; findings of supervisor as evidence of waste**

In those suits, a restraining order shall not be issued ex parte, and a temporary or permanent injunction issued in the proceedings shall not be refused or dissolved or stayed pending appeal upon the giving of any bond or undertaking or otherwise, but otherwise the procedure, including the procedure on appeal, shall be conformable with the provisions of Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure.

In the proceedings, the findings of the supervisor, unless set aside, or except to the extent modified, by the director, shall constitute prima facie evidence of the unreasonable wastage of gas therein found to be occurring or threatened.

1. **enjoin unreasonable waste of gas; venue; parties**

Whenever it appears to the director that the owners, lessors, lessees, or operators of any well or wells producing ***oil*** and gas or ***oil*** or gas are causing or permitting an unreasonable waste of gas, he may institute, or have proceedings instituted, in the name of the people of the State of California, to enjoin the unreasonable waste of gas regardless of whether proceedings have or have not been instituted under sections 3302 to 3305, and regardless of whether an order has or has not been made therein.

Such proceedings shall be instituted in the superior court of the county in which is situated the well or wells, or any thereof, from which the unreasonable waste of gas is occurring. The owners, lessors, lessees, or operators causing or permitting an unreasonable waste of gas in the same ***oil*** or gas field may be made parties to the action, although their properties and interests may be separately owned and their unreasonable waste separate and distinct.

1. **g order or injunction against waste of gas; conduct of proceedings**

In such suits a restraining order shall not be issued ex parte, and a temporary or permanent injunction issued in such proceedings shall not be refused or dissolved or stayed pending appeal upon the giving of any bond or undertaking or otherwise, but otherwise the procedure shall be governed by the provisions of Chapter III of Title VII of Part 2 of the Code of Civil Procedure.

1. **waste as special; restriction of issues**

Proceedings to enjoin waste as contemplated by this chapter shall be special proceedings restricted to the single issue whether gas is being produced or is threatened to be produced in unreasonably wasteful quantities and the extent to which such production should be enjoined on behalf of the State of California.

\* \* \*

1. **ce of appeal; Refund of reasonable costs; Order restraining enforcement**
2. The operator of a well or a production facility to whom the supervisor or district deputy has issued an order pursuant to this chapter may file a notice of appeal from that order. The notice of appeal shall be in writing and shall be filed with the director. The operator shall file the appeal within 10 days of the service of the order, or within 10 days of the posting of a copy of an order made pursuant to Section 3308. Failure of the operator to file an appeal from the order within the 10-day period shall be a waiver by the operator of its rights to challenge the order. If the order, other than an order made pursuant to Section 3308, is served by mail, the time for responding shall be determined as provided in Section 1013 of the Code of Civil Procedure.
3. The filing of a written notice of appeal shall operate as a stay of the order, except when an order is issued as an emergency order pursuant to Section 3226. If the order is an emergency order, the operator shall immediately perform whatever work is required by the order to alleviate the emergency or shall permit the agents appointed by the supervisor to perform that work. If the order is an emergency order to cease injection, then the operator shall cease injection as soon as it is safe to do so.
4. If an emergency order is set aside or modified on appeal, the supervisor shall refund the reasonable costs incurred by the operator for whatever work is not required by the set-aside or modified order or shall not impose costs for work performed by the supervisor or the supervisor’s agents if the work is excluded from the modified order or the order is set aside. Only the costs of work performed shall be refunded, and there shall be no reimbursement for lost profits or increased production costs.
5. The costs to be refunded pursuant to paragraph (2) by the supervisor shall be determined in a hearing before the director after the exhaustion of appeals. The operator shall have the burden of proving the amount of costs to be refunded.
6. A determination by the director as to the amount of costs to be refunded pursuant to paragraph (2) may be appealed by the operator pursuant to subdivision (a) of Section 3354.
7. If the operator believes that it will be irretrievably injured by the performance of the work required to alleviate the emergency pending the outcome of the appeal, the operator may seek an order from the appropriate superior court restraining the enforcement of the order pending the outcome of the appeal.
8. **oceedings**
9. A hearing shall be provided in accordance with Chapter 5 (commencing with *Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code* only in an appeal from an order in the following circumstances:
10. Issued pursuant to a Section 3237 finding that the operator’s wells are deserted and should be plugged and abandoned.
11. Imposing civil penalties totaling more than twenty-five thousand dollars ($25,000).
12. Rescinding an entire injection project approval for a project that has already commenced.
13. Imposing a life-of-well bond or a life-of-production facility bond.
14. An order issued pursuant to Section 3225 shall satisfy the substantive requirements of an accusation pursuant to Section 11503 of the Government Code and may be filed when scheduling a formal hearing in accordance with this chapter and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. All applicable formal hearing deadlines do not commence until a formal hearing is scheduled. When scheduling a formal hearing after an appeal from an order under this chapter, the supervisor is not required to send a Notice of Defense statement and the operator is not required to request a hearing.
15. For an appeal of an order that is not described in subdivision (a), a hearing shall be conducted by the director in accordance with Sections 3352 and 3353.
16. For an appeal of an order that is described in subdivision (a) and is also an emergency order, a hearing shall be conducted by the director in accordance with Sections 3352 and 3353 for the limited purpose of considering the reasonableness of the supervisor’s determination that an emergency exists. All other penalties and requirements imposed by the order shall be considered at a hearing provided in accordance with Chapter 5 (commencing with *Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.*
17. **nversion to formal hearing**
18. A hearing conducted by the director shall adhere to the following:
19. When an order is not issued as an emergency order, within 30 days from the date of the service of the notice of appeal, the director shall provide to the operator notice of the time and place of the hearing. The hearing shall take place within 30 days after the date of the director’s notice. The notice shall inform the operator that the director may extend the date of the hearing for up to 60 days for good cause upon application of the operator or the supervisor.
20. When an order has been issued as an emergency order, within 10 days from the date of the service of the notice of appeal, the director shall provide to the operator notice of the time and place of the hearing. The hearing shall take place within 20 days after the date of the director’s notice. The notice shall inform the operator that the director may extend the date of the hearing for up to 30 days for good cause upon application of the operator or the supervisor.
21. The director shall conduct the hearing within the district where the majority of the wells or production facilities that are the subject of the order are located, or the hearing may be conducted at a location outside of that district upon application of the operator. The hearing shall be reported by a stenographic reporter and may, in addition, be electronically recorded by either party.
22. The notice of hearing shall inform the operator of its right to file a written answer to the charges no later than 10 days before the date of the hearing. The notice also shall inform the operator that it has the right to present oral and documentary evidence at the hearing.
23. Upon a verified and timely petition of the operator, the director may order the testimony of a witness at the hearing. The petition shall be served upon the director and the other party within five days after the filing of an appeal and shall set forth the name and address of the witness whose testimony is requested, to the extent known; a showing of the materiality of the testimony; and a showing that the witness cannot be compelled to testify absent an order of the director. The supervisor may file an opposition to the petition within five days after the petition is served. The director shall either deny or grant the petition within 10 days after receipt of the petition and receiving any opposition to the petition. Upon granting a petition, the director shall issue a subpoena pursuant to Section 3357 compelling the testimony of the witness at the hearing.
24. The director may convert a hearing pursuant to this section to a formal hearing conducted in accordance with Chapter 5 (commencing with *Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code* in any of the following circumstances:
25. The operator makes a showing satisfactory to the director that the order being appealed is likely to result in termination of an established ***oil*** or gas producing or injection operation.
26. It appears to the director that the hearing will involve complex evidentiary or procedural issues that will cause more than minimal delay or burdens.
27. The operator and the supervisor agree and stipulate to convert the hearing to a formal hearing.
28. The conversion of a hearing pursuant to this section to a formal hearing shall be conducted in accordance with Article 15 (commencing with *Section 11470.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code.*
29. **sion; Filing; Service of decision; Retention of jurisdiction**
30. Within 30 days after the close of a hearing conducted by the director, the director shall issue a written decision affirming, setting aside, or modifying the order from which the appeal was taken. The director’s written decision shall be based upon the preponderance of the evidence and shall set forth the director’s factual findings, legal conclusions, and rationale for the result. The director may extend the 30-day period for issuing the written decision if the extension is agreed to by the operator.
31. The director shall file the written decision with the supervisor and serve it on the operator as soon as the decision is complete, at which time the decision shall be deemed final. The director’s decision shall supersede the order of the supervisor from which the appeal was made. If the director affirms or modifies the order, the director shall retain jurisdiction until the operator completes the work required to be performed by the order.
32. **ision; Filing petition for writ of administrative mandamus**
33. Following a hearing conducted by the director pursuant to Sections 3352 and 3353 or subdivision (b) of Section 3350, the operator may obtain judicial review of the decision of the director by filing a petition for writ of administrative mandamus in the superior court of the county where the division’s district office from which the order was issued is located. The operator shall file the petition within 30 days after the date the operator was served with the decision.
34. Following a hearing conducted in accordance with Chapter 5 (commencing with *Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code*, the operator may obtain judicial review of the decision pursuant to *Section 11523 of the Government Code*.
35. **ision; Issues for determination; Abuse of discretion**

When an operator seeks judicial review of a decision of the director, including a decision following a hearing conducted in accordance with Chapter 5 (commencing with *Section 11500*) *of Part 1 of Division 3 of Title 2 of the Government Code*, the court shall hear the cause on the record before the director or an administrative law judge. New or additional evidence shall not be introduced in court. The court’s inquiry shall extend to whether the director acted without or in excess of jurisdiction, whether there was a fair hearing, and whether there is any prejudicial abuse of discretion. Abuse of discretion is established if the administrative proceeding has not been conducted in the manner required by law, the decision is not supported by the findings, or the findings are not supported by substantial evidence in light of the whole record.

1. **and personal property of operator**

If the operator does not appeal an order, if the operator does not timely seek judicial review of a decision affirming or modifying an order within the time provided in Section 3354, or if the operator has timely sought and obtained judicial review and the court has affirmed the decision, then any charge, including penalty and interest, that the decision permits the supervisor to impose on the operator for work performed by the supervisor or the supervisor’s agents shall constitute a state tax lien against the real and personal property of the operator pursuant to Section 3423.

1. **r and director; Administration of oaths; Procuring subpoenas; Taking of depositions**
2. In any proceeding before the director, and in any proceeding instituted by the supervisor for the purpose of enforcing or carrying out the provisions of this division, or for the purpose of holding an investigation to ascertain the condition of any well or wells complained of, or which in the opinion of the supervisor may reasonably be presumed to be improperly located, drilled, operated, maintained, or conducted, the supervisor and the director shall have the power to administer oaths and may apply to a judge of the superior court of the county in which the proceeding or investigation is pending for subpoenas for witnesses to attend the proceeding or investigation. Upon the application of the supervisor or the director, the judge of the superior court shall assign a case number for the proceeding or investigation, shall issue an order prescribing the nature and scope of the proceeding or investigation, and shall retain jurisdiction for the limited purpose of enforcing subpoenas issued in the proceeding or investigation. Upon the assigning of a case number, the attorney of record for the supervisor or director may issue subpoenas directing witnesses to attend the proceeding or investigation, and those persons shall be required to produce, when directed, all records, surveys, documents, books, or accounts in the witness’ custody or under the witness’ control; except that no person shall be required to attend upon the proceeding unless the person resides within the same county or within 100 miles of the place of attendance. The attorney of record for the supervisor or the director may in that case cause the depositions of witnesses residing within or without the state to be taken in the manner prescribed by law for like depositions in civil actions in superior courts of this state under Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure, and may issue subpoenas compelling the attendance of witnesses and the production of records, surveys, documents, books, or accounts at designated places within the limits prescribed in this section.
3. In conducting a proceeding or investigation specified in subdivision (a), the supervisor or director may require an owner or operator to furnish, under penalty of perjury, technical or monitoring reports that the supervisor or director requires. The burden, including costs, of any report shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the report. In requiring a report, the supervisor or director shall explain in writing to the owner or operator the need for the report, and shall identify the rationale that supports requiring that owner or operator to provide the report.
4. When requested by the owner or operator furnishing the report, neither the division nor the department shall make available to the public for inspection portions of a report that might disclose trade secrets, well data granted confidential status pursuant to Section 3234, or other confidential or privileged information. The division or department shall make that confidential or privileged information available to other public agencies as needed for regulatory purposes and in accordance with a written agreement with the other public agency regarding the sharing of the information.
5. In conducting a proceeding or investigation pursuant to subdivision (a), the supervisor or director, or his or her inspector, may inspect the well site or production facilities of any owner or operator to ascertain whether the owner or operator is complying with the requirements of, or authorized by, this division. The inspection shall be made with the consent of the owner or operator or, if consent is withheld, with a warrant duly issued pursuant to the procedure set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure. In the event of an emergency affecting the public health or safety, an inspection may be performed without consent or a warrant. This subdivision is in addition to any other inspection authority granted or authorized by this division.
6. **tnesses**

Witnesses shall be entitled to receive the fees and mileage fixed by law in civil causes, payable from the ***Oil***, Gas, and Geothermal Administrative Fund.

1. **order or subpoena a misdemeanor; district attorney to prosecute offenses**

Failure to comply with order or subpoena. In case of the failure or neglect on the part of any person to comply with any order of the supervisor or the director, or any subpoena, or upon the refusal of any witness to testify to any matter regarding which he may lawfully be interrogated, or upon refusal or neglect to appear and attend at any proceeding or hearing on the day specified, after having received a written notice of not less than 10 days prior to such proceeding or hearing, or upon his failure, refusal, or neglect to produce books, papers, or documents as demanded in the order or subpoena upon such day, such failure, refusal, or neglect shall constitute a misdemeanor. Each day’s further failure, refusal, or neglect is a separate and distinct offense.

Prosecution by district attorney. The district attorney of the county in which the proceeding, hearing, or investigation is to be held, shall prosecute any person guilty of violating this section by continuous prosecution until the person appears or attends or produces such books, papers, or documents, or complies with the subpoena or order of the supervisor or the director.

1. **ection of charges**
2. **ied**

The charges directed to be levied by this article are necessary in the exercise of the police power of the State and to provide a means by which to supervise and protect deposits of ***oil*** and gas within the State, in which deposits the people of the State have a primary and supreme interest.

1. **eds from person operating or owning interest in well undergoing well stimulation treatment**
2. The proceeds of charges levied, assessed, and collected pursuant to this article upon the properties of every person operating or owning an interest in the production of a well shall be used exclusively for the support and maintenance of the department charged with the supervision of ***oil*** and gas operations and for the State Water Resources Control Board and the regional water quality control boards for their activities related to ***oil*** and gas operations that may affect water resources.
3. Notwithstanding subdivision (a), the proceeds of charges levied, assessed, and collected pursuant to this article upon the properties of every person operating or owning an interest in the production of a well undergoing a well stimulation treatment, may be used by public entities, subject to appropriation by the Legislature, for all costs associated with both of the following:
4. Well stimulation treatments, including rulemaking and scientific studies required to evaluate the treatment, inspections, any air and water quality sampling, monitoring, and testing performed by public entities.
5. The costs of the State Water Resources Control Board and the regional water quality control boards in carrying out their responsibilities pursuant to Section 3160 and Section 10783 of the Water Code.
6. ***il; computation and apportionment; payment***

There shall annually be imposed upon the person operating each ***oil*** well in this state, or owning royalty or other interests in respect to the production from the well, a charge which shall be payable to the Treasurer and which shall be computed at a uniform rate per barrel of ***oil*** produced from the well for the preceding calendar year. The charge shall be apportioned among all of those persons in fractional amounts proportionate to their respective fractional interests in respect to the production of the well, but the whole of the charge shall be payable by the operator, who shall withhold their respective proportionate shares of the charge from the amounts otherwise payable or deliverable to the owners of royalty or other interests. In the case of a penalty for late payment as provided in Section 3420, no apportionment shall be made.

1. **15)**
2. **as; computation and apportionment; payment**

There shall annually be imposed upon the person operating each gas well in this state, or owning royalty or other interests with respect to the production from the well, a charge, which shall be payable to the Treasurer, based upon the amount of gas produced in the preceding calendar year, other than gas which is used for recycling or otherwise in ***oil***-producing operations, and which shall be computed at a uniform rate per ten thousand cubic feet. The charge shall be apportioned among all of those persons in fractional amounts proportionate to their respective fractional interests with respect to the production of the well, but the whole of the charge shall be payable by the operator, who shall withhold the respective proportionate shares of the charge from the amounts otherwise payable or deliverable to the owners of royalty or other interests. In the case of a penalty for a late payment as provided in Section 3420, no apportionment shall be made.

1. **age facilities; charge based on number of wells and gas withdrawn**
2. The Legislature finds that there are underground storage facilities for gas that utilize depleted or partially depleted ***oil*** or gas reservoirs. Purchased gas, usually from out of state, is injected for storage and withdrawn during peak load periods. The supervisor is required to maintain surveillance over these facilities to ensure that the original reserves are not lost, that drilling of new wells is conducted properly, and that no damage occurs to the environment by reason of injection and withdrawal of gas.
3. In order to help support the regulatory effort of the supervisor, there shall be imposed an annual charge on operators of underground gas storage facilities to defray the regulatory costs incurred by the state in conducting the activities described in subdivision (a). Each underground gas storage facility operator shall pay a proportionate share of the total regulatory costs projected for each fiscal year based on the field capacity and number of wells for each underground gas storage facility. For each underground gas storage facility, the portion owed by the operator shall be computed by multiplying the operator’s field capacity by the number of the operator’s wells, and dividing that product by the statewide sum across all underground gas storage facilities of the product of the field capacity of each individual underground gas storage facility multiplied by the number of wells at that facility.
4. In order to defray the costs of the response effort of the division in the event of a large, uncontrolled release of gas from an underground storage facility that poses a significant present or potential hazard to public health and safety, property, or to the environment, there shall be an additional charge imposed entirely on the operator of the underground storage facility at which the uncontrolled leak or release of gas occurred. The charge shall be in the amount of the total directly associated costs incurred by the division in the previous calendar year in the course of responding to the release, including personnel hours, travel expenses, contracting costs, and any other directly associated costs incurred by the division.
5. For purposes of this section, the following terms have the following meanings:
6. “Field capacity” means the total gas storage capacity, including base and working gas capacity, of an underground gas storage facility, in cubic feet.
7. “Wells” means all wells associated with an underground gas storage facility except those that have been plugged and abandoned pursuant to Section 3208 before the preceding calendar year.
8. **other charges, taxes, etc,**

The charges authorized by this article are in addition to any and all charges, taxes, assessments, or licenses of any kind or nature paid by or upon the properties assessed hereunder.

1. **eports**

The department shall prescribe the form and contents of all reports for making the charge or for other purposes to carry out the intent and provisions of this article, which form shall be mailed in duplicate to the person assessed under this article.

1. **d of operators; contents and verification**

Every person chargeable under this article, shall on or before March 15th of each year, file a report with the department. The report shall show all items of information demanded by the report, which are necessary to carry out this article. The report shall be verified by such person or officer as the department may designate.

1. **report**

The department may, for good cause shown, by order entered upon its records, extend for not exceeding thirty days, the time for filing any report required by this article.

1. ***in amount of taxable oil or gas production***

If the person filing the report required under Section 3406, by error or otherwise fails to include the full amount of ***oil*** or gas production in the report, the department shall make an estimate of the deficit, based on the monthly production reports filed by such person under Section 3227, and add it to the report. The department shall make a reasonable effort to reconcile the yearly report filed under Section 3406 with the data filed on the regular monthly production reports, before proceeding to change the report, but failure to do so shall not invalidate the assessment.

1. **y department on failure to report**
2. If any person chargeable under this article fails or refuses to file with the department, within the time prescribed in this article, the verified report provided for in Section 3406, the department shall note failure or refusal as provided for in Section 3418.
3. The department shall estimate the amount of ***oil*** and gas produced by the person and shall assess the person an assessment based upon the estimated production. A penalty assessment shall be added to the charge pursuant to Section 3420.
4. **1**
5. **ds to carry out chapter**

The department shall, on or before June 15th of each year, acting in conjunction with the Department of Finance, make an estimate of the amount of money which will be required to carry out the provisions of this chapter, including any adjustments for savings or increased expenditures in the current and prior fiscal years.

1. **5**
2. **; entry of individual charges**

On or before June 15 of each year, the department shall determine the rate or rates that will produce the sums necessary to be raised as provided in Section 3410. Within the same time, the department shall extend into the proper column of the record of assessments the amount of charges due from each person. The department shall post the information supporting the rate or rates on a publicly available portion of its internet website.

1. **charges; form of assessment and lien thereof; clerical errors not to invalidate assessment**

Between the first of March and the 15th of June in each year, the department shall assess and levy the charges as provided in this article. The assessment shall be made against the person operating the property subject to assessment on the first Monday in March, except that, where the actual operation of any well has changed hands during the period for which the charge is imposed, the charge shall be apportioned to each operator upon the basis of the ***oil*** or gas produced during the period, and the lien provided for in Section 3423 shall be a lien against the property of each operator. If the name of the owner is unknown to the department the assessment shall be made against unknown owners.

Clerical errors occurring or appearing in the name of any person whose property is properly assessed and charged, or in the making or extension of any assessment or charge upon the records, which do not affect the substantial rights of the payer, shall not invalidate the assessment or charge.

1. **ts. 1961**
2. **sion of publication; validity of levy of assessment**

The notice shall state:

1. That the assessment of property and levy of charges under this article has been completed.
2. That the records of assessments containing the charges due will be delivered to the State Controller on the first Monday in July.
3. That if any person is dissatisfied with the assessment made or charge fixed by the department he may, at any time before the first Monday in July, apply to the Controller to have the assessment or charge corrected in any particular.

The omission to publish notice shall not affect the validity of any assessment levied pursuant to this article.

1. The division shall send a notice to each operator subject to a fee pursuant to Section 3206 by April 1 of each year. The notice shall do both of the following:
2. Identify the amount of the annual fee due no later than May 1 of that year.
3. State that if the fee amount in the notice is in error, the operator may apply to the division before May 1 of that year to have the fee amount corrected.
4. The failure to send a notice shall not affect the validity or amount of the fee owed pursuant to Section 3206.
5. The notice shall be sent by mail or by electronic means deemed appropriate by the division, including, but not limited to, electronic mail or an alternative electronic system that persons opt into for receiving notice.
6. **and charges; entries; information concerning delinquent assessments**

The department shall prepare each year a record called the “Record of Assessments and Charges” in which shall be entered each assessment and levy or charge made by it upon the property assessed and charged under this article, describing the property assessed. The assessments may be classified and entered in such separate parts of the record as the department may prescribe. If such charges and assessments become delinquent as provided in Section 3420 of this code, in addition to the information contained in the “Record of Assessments and Charges” as herein provided, the department shall furnish to the State Controller upon his request the name and address of any owner of property assessed as such name and address last appears in the office of the tax assessor for county in which such land or a major portion thereof is situate.

1. **controller; Certificate of director; Effect of failure to subscribe**

On or before the first of July the department shall deliver to the State Controller the record of assessments and charges, certified to by the director, which certificate shall be substantially as follows: “I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Director of Conservation, do hereby certify that between the first of March and the first of July, 20\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, I made diligent inquiry and examination to ascertain all property and persons, firms, corporations and associations subject to assessment as required by the provisions of this chapter, providing for the assessment and collection of charges; that I have faithfully complied with all the duties imposed upon me by law; that I have not imposed any unjust or double assessment through malice or ill will or otherwise; nor allowed any person, firm, corporation, or association, or property to escape a just assessment or charge through favor or regard or otherwise.” Failure to subscribe the certificate to the record of assessments and charges, or any certificate, shall not affect the validity of any assessment or charge.

1. **low specified amount; time for payment of charges; dates of delinquency; penalties**
2. No charges shall be levied for assessments on ***oil*** and gas production of less than ten dollars ($10).
3. The charges levied for assessments are due and payable on the first of July in each year for assessments of more than ten dollars ($10), but less than five hundred dollars ($500). The charges shall be delinquent if not paid on or before August 15th of each year.
4. The charges levied for assessments are due and payable on the first of July in each year for assessments of five hundred dollars ($500) or more. One-half of the charges shall be delinquent if not paid on or before August 15th of each year. The remaining one-half of the charges shall be delinquent if not paid on or before the first of February of the following year.
5. Idle well fee charges pursuant to Section 3206 are due and payable as specified pursuant to that section and are immediately delinquent if not paid as required.
6. Charges to an operator pursuant to Section 3226 for actual or estimated costs to perform work ordered are delinquent if not paid within 30 days after service of the accounting of costs.
7. Any person who fails to pay any charge within the time required shall pay a penalty of 10 percent of the amount due, plus interest at the rate of 1½ percent per month, or fraction thereof, computed from the delinquent date of the assessment, idle well fee, or other charge pursuant to this chapter until and including the date of payment.
8. **s due and payable**
9. If any person fails to pay any charge or penalty imposed under this chapter at the time that it becomes due and payable, the amount thereof, including penalties and interest, together with any costs in addition thereto, shall thereupon be a perfected and enforceable state tax lien. Such a lien is subject to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code.
10. For the purpose of this section only, “due and payable” means the date the charges required to be paid pursuant to Section 3420 are assessed under this chapter.

A warrant may be issued by the Controller or his or her duly authorized representative for the collection of any charges, interest and penalties and for the enforcement of any such lien directed to the sheriff and shall have the same effect as a writ of execution. It may and shall be levied and sale made pursuant to it in the manner and with the same effect as a levy of and a sale pursuant to a writ of execution.

1. **; time**

Notwithstanding any provisions of law to the contrary, the owner of said land may redeem from any execution sale within a period of three years upon payment of interest, penalties and charges as provided in the case of other sales of real property under execution.

1. **officers; publication fees: collection**

The sheriff shall receive, upon the completion of his or her services pursuant to a warrant, and the Controller is authorized to pay to him or her the same fees and commissions and expenses in connection with services pursuant to the warrant as are provided by law for similar services pursuant to a writ of execution; provided, that fees for publication in a newspaper shall be subject to approval by the Controller rather than by the court; the fees, commissions, and expenses shall be an obligation of the person or persons liable for the payment of the charges and may be collected from the person or persons by virtue of the warrant or in any other manner provided in this article for the collection of those charges.

1. **payment of charges**

In the event that the lien of the charges, penalties or interest attaches to real property from which the ***oil*** or gas is extracted and more than one parcel of property is included within the lien, the Controller may release by certificate pursuant to Section 7174 of the Government Code from the lien of said charges, interest, penalties, and costs, upon payment by the owner of any parcel or parcels of property of his proportionate share of the assessment of the ***oil*** or gas extracted from all land included within said lien owned by him.

1. **80**
2. **election**

It is expressly provided that the remedies provided herein of the state shall be cumulative and that no action by the Controller shall be construed to be an election on the part of the state, or of any of its officers, to pursue any remedy hereunder to the exclusion of any other remedy for which provision is made in this article.

1. **state treasurer; record of payment**

All charges assessed and levied shall be paid to the State Treasurer upon the order of the Controller. The Controller shall record the payment of any charge.

1. **nd overcharges**

Errors appearing upon the face of any assessment on the record of assessments, or overcharges may be corrected by the Controller, with the consent of the Department of Finance, in such manner as the Controller and the Department of Finance agree upon.

1. **charges; limitations and venue**

The Controller shall, on or before the thirtieth day of May next following the delinquency of any charge, bring an action in the name of the people of the State, in the county in which the property assessed is situated, to collect any delinquent charges or assessments, together with any penalties or costs, which have not been paid and which are shown as delinquent upon the record of assessments and charges.

1. **eral**

The Attorney General shall commence and prosecute any such action to final judgment.

1. **sessments as prima facie evidence; applicable procedures**

In such actions the record of assessments and charges, or a copy of so much thereof as is applicable, duly certified by the Controller, showing unpaid charges against any person assessed by the department, is prima facie evidence of the assessment, the delinquency, the amount of charges, penalties, and costs due and unpaid, that the person is indebted to the people of the State of California in the amount of charges and penalties therein appearing unpaid, and that all forms of law in relation to the assessment of the charges have been complied with.

The provisions of the Code of Civil Procedure relating to service of summons, pleadings, proofs, trials, and appeals are applicable to the proceedings.

1. **urer**

Payment of the penalties and charges, or the amount of the judgment recovered in the action, shall be made to the State Treasurer.

1. **e for recovery of protested assessments; limitations; contents of protest; effect**

Any person claiming and protesting that the assessment made or charges assessed against him are void, in whole or in part, may bring an action against the State Treasurer for the recovery of the whole or any part of the charges, penalties, or costs paid on such assessment, upon the grounds stated in his protest. No action may be brought later than the third Monday in February next following the day upon which the charges were due, and unless the person has filed with the State Controller, at the time of payment of the charges, a written protest stating whether the whole assessment or charge is claimed to be void, or if a part only, what part, and the grounds upon which the claim is founded. When so paid under protest the payment shall not be regarded as voluntary.

1. **complaint**

Whenever an action is commenced under the provisions of Section 3430, a copy of the complaint and of the summons shall be served upon the treasurer or his deputy and upon the supervisor or his deputy and upon the Attorney General or his deputy. At the time the treasurer demurs or answers, he may demand that the action be tried in the Superior Court of the County of Sacramento, which demand shall be granted.

1. **neral; applicable procedure**
2. The Attorney General shall defend the action.
3. The provisions of the Code of Civil Procedure relating to pleadings, proofs, trials, and appeals are applicable to these proceedings.
4. **ue; form of judgment**

Failure to begin the action within the time specified in section 3430 is a bar to recovery of the charges. In any such action the court may render judgment for the plaintiff for any part or portion of the charge, penalties, or costs found to be void and paid by plaintiff upon the assessment.

1. **ximum Efficient Rates of Production**
2. ***servation Committee of California Oil Producers; issuance and compliance as lawful; conditions; power of supervisor to recommend or disapprove***

The Legislature takes notice of the existence of the Conservation Committee of California ***Oil*** Producers and of the fact that said committee for a number of years last past, in the interest of the conservation of ***oil*** and gas, has made recommendations of maximum efficient rates of production and for the intra pool distribution of such maximum efficient rates of production with respect to ***oil*** pools, capacity production from which pools would result in a loss of ultimate production. The Legislature declares that recommendations for such purpose are in the interest of the conservation of the ***oil*** and gas resources of this State and that it is lawful for said committee or any other committee of ***oil*** producers to issue such recommendations as to any such ***oil*** pool and for producers of ***oil*** to comply therewith or to agree to comply therewith, provided:

1. Copies of all such recommendations shall be currently delivered to the supervisor and shall be open to public inspection in the office of the supervisor; and
2. Any such committee shall make available to the supervisor its records, files, minutes, reports and other data pertaining to such recommendations.

The supervisor in his discretion may join in any such recommendations or may express his disapproval thereof.

The supervisor, in the absence of such recommendations by a committee of ***oil*** producers with respect to any of such pools, or if the supervisor deems any such recommendations to be insufficient or incorrect, may issue recommendations with respect to any such pools on said subject matter, and it shall be lawful for producers to comply therewith or to agree to comply therewith. Neither a disapproval by the supervisor nor a recommendation by him shall constitute a basis for implying any obligation for producers of ***oil*** to comply with such a disapproval or recommendation.

Nothing herein contained shall be deemed to permit the production of gas in violation of Articles 5 and 6 of Chapter 1 and Chapter 2 of this division.

1. **defined**

“Maximum Efficient Rate,” commonly referred to as “MER,” is defined as the highest daily rate of production which can be sustained economically from a particular pool, from existing wells and facilities, for a reasonable period without loss of economically recoverable ultimate production of ***oil*** from such pool.

1. **as**
2. **d**

All persons, firms, corporations, and associations are prohibited from wilfully permitting natural gas wastefully to escape into the atmosphere.

1. **ells; prohibition against wastage of natural gas**

Any person, firm, corporation, or association who digs, drills, excavates, constructs, or owns, or controls a well from which natural gas flows shall, upon the abandonment of the well, cap or otherwise close the mouth of or entrance to the well in such a manner as to prevent the unnecessary or wasteful escape of natural gas into the atmosphere.

No person, firm, corporation, or association who owns or controls land in which such a well is situated shall wilfully permit natural gas flowing from the well wastefully or unnecessarily to escape into the atmosphere.

1. **misdemeanor; penalty**

Any person, firm, corporation, or association who wilfully violates any of the provisions of this chapter is guilty of a misdemeanor, punishable by a fine of not more than one thousand dollars or by imprisonment in the county jail for not more than one year, or by both such fine and imprisonment.

1. **separate offense**

Each day during which natural gas is wilfully allowed wastefully or unnecessarily to escape into the atmosphere is a separate and distinct violation of this chapter.

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