# **Calif. Conservation Dept.: Chevron Agrees to Pay California Significant Fines for Oil Pollution**

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**Body**

The California Department of Conservation issued the following news on March 20, 2024:

Today, two California state agencies announced a total of more than $13 million in settlement agreements with Chevron for past ***oil*** spills in ***Kern*** County.

\* The California Department of Conservation announced a settlement agreement totaling $5.6 million for the company's ***oil*** spills in ***Kern*** County in 2019. The company, which has already paid for the cost of cleanup, will pay these settlement fines to the Department of Conservation division that oversees ***oil*** and gas operations, the California Geologic Energy Management division (CalGEM). This is the largest fine assessed in the Department of Conservation's history, and money from this settlement will go towards ongoing work to plug old, orphaned wells.

"This agreement is a significant demonstration of California's commitment to transition away from fossil fuels while holding ***oil*** companies accountable when they don't comply with the state's regulations and environmental protections," said Department of Conservation Director David Shabazian. "Every penny collected here will go toward plugging old, orphan wells in order to protect the environment and people of California."

\* The California Department of Fish and Wildlife also announced a settlement agreement totaling $7.5 million for Chevron's spills in ***Kern*** County. The company, which has already paid for the cost of cleanup, will pay these settlement fines to the CDFW program responsible for overseeing the state's spill prevention and response. This is the largest administrative fine in department history.

"California remains committed to protecting the state's diverse and irreplaceable natural resources, so they can be enjoyed by current and future generations," said Department of Fish and Wildlife Director Charlton Bonham. "This settlement is a testament to our firm stance that we will hold businesses strictly liable for ***oil*** spills that enter our waterways and pollute our environment."

Department of Conservation Settlement: Background and Details

In 2019, Chevron's underground injections in ***Kern*** County caused ***oil*** to rise and pool at the surface, creating hazardous conditions for the environment and public health. That same year, Governor Newsom signed AB 1057, providing the Department of Conservation's CalGEM division with a new charter to protect public health, safety and the environment -- and giving it more powers to hold ***oil*** companies accountable. When the spills occurred, the Department of Conservation immediately ordered cleanup.

What the Department of Conservation's agreement with Chevron does:

\* Drops Chevron's appeal of the original fines.

\* Provides $5.6 million to the State to plug old, orphan wells statewide.

\* Creates a framework for managing the spills with State oversight.

What comes next:

\* Chevron agrees to continue monitoring the site with Department of Conservation oversight.

\* Governor Newsom's signature of AB 631 last year gives regulators new enforcement powers and the ability to make criminal referrals for ***oil*** company misconduct.

\* Later this year, the Department of Conservation will begin identifying wells for Phase 2 of the state abandonment program.

The Department of Conservation previously identified 378 wells across six counties to begin work under the state's well abandonment program, which permanently seals orphan wells and remediates sites. Work in Santa Barbara and Los Angeles counties began late last year -- with much of the work made possible by the Governor and Legislature including a historic $125 million in state and federal funding to address old, aging ***oil*** infrastructure.

In addition, California is eligible for an additional $140 million in federal funding to plug more wells and will pursue those opportunities in the coming year. The Department of Conservation is also working to claw back funding from ***oil*** companies that sold off idle, orphan, deserted or unplugged wells.

California Department of Fish and Wildlife Settlement: Background and Details

The $7.5 million settlement reached with the California Department of Fish and Wildlife is also the largest administrative fine in the department's history. The money from this agreement will go toward environmental enhancement projects, ***oil*** wildlife response preparedness, and future spill response funding.

CDFW's Office of Spill Prevention and Response (OSPR) is responsible for leading prevention, removal, abatement, response, containment, and cleanup efforts for ***oil*** spills in surface waters of the state. CDFW's OSPR serves as the state incident commander for managing response to ***oil*** spills, and staff documented over 70 ***oil*** spills between 2018 and 2023 in ***Kern*** County attributable to Chevron.

Following an investigation, OSPR found that these spills accounted for more than 1.48 million gallons (35,333 bbls) of produced water and more than 446,600 gallons (10,633 bbls) of ***oil*** spilled. These spills killed or injured at least 63 animals and impacted at least six acres of salt brush and grassland habitat, including 22,721 linear feet of streambed.

What the California Department of Fish and Wildlife's agreement with Chevron does:

\* Places $6.8 million in the department's Environmental Enhancement Fund, which provides grants for projects that acquire habitat for preservation or improve habitat quality and ecosystem function.

\* Pays $500,000 to the ***Oiled*** Wildlife Care Network at the U.C. Davis School of Veterinary Medicine, which was established to respond to ***oiled*** wildlife in California. Funds will be used to maintain ***oiled*** wildlife care facilities in ***Kern*** County as well as other resources that support ***oiled*** wildlife response in this region.

\* Places $200,000 in the department's Fish and Wildlife Pollution Account, to be available to fund responses to future spills.

What comes next:

\* The California Department of Fish and Wildlife will continue to work with the Department of Conservation to ensure ***oil*** companies do a better job upgrading their infrastructure and monitoring the consequences of subsurface steam injection to prevent ***oil*** spills from happening.

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