# **Stakes high as legal battle looms over Kern oil permitting**

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**Body**

Mar. 20—For all the political attention on Sacramento's role in slower ***oil*** permitting amid high barrel prices, nothing is likely to have a bigger impact on the pace of local drilling activity than a long-running legal battle set to resume next month in ***Kern*** County Superior Court.

A trial set for April 28 will determine whether changes county government made last year were enough to fix problems a judge identified two years ago in the vast environmental review undergirding ***Kern***'s streamlined ***oil*** and gas permitting system.

If the court finds the changes suffice, local ***oil*** field permitting could pick up quickly. But if the judge sides with plaintiffs including environmental groups and a local farmer, control will remain with a state agency that says it is still trying to adjust to its role as lead agency in local ***oil*** regulatory reviews.

Since Judge Gregory Pulskamp ruled in October that the county had to wait for the court's approval before resuming local permitting, industry data shows California drilling rig counts have remained historically low at a time other states have seen a jump in drilling activity more commensurate with barrel prices that recently topped $100 per barrel for the first time since 2014.

Locally elected politicians have called on the Newsom administration to speed up state permit reviews to boost the local economy instead of making up for in-state supply deficits by importing ***oil*** from other countries.

Meanwhile, there's an understanding within the industry that the upcoming court proceedings will be critical. Last month, for instance, senior executives at ***Kern*** producer California Resources Corp. emphasized in an earnings call with stock analysts that they were hopeful county government would prevail in court so the company would be able to secure more permits to ramp up drilling this year.

A prolonged legal battle was expected from the inception of the permitting system, when the state's ***oil*** industry asked the county in 2012 to create its own permitting system as a way of replacing state review processes that were coming under legal scrutiny.

The county insisted the industry fund the effort, including covering its legal bills, because of a recognition early on that the system would be repeatedly attacked, revised and defended in court.

What the county came up with, and which was put in place by the Board of Supervisors in late 2015, was a strictly ministerial permitting process that for the first time charged local ***oil*** producers fees to help offset environmental impacts identified in a vast review of ***oil*** operations across the valley portion of the county.

As expected, the system drew legal challenges asserting the county's blanket review was inappropriately broad and that only project-by-project assessments could provide sufficient detail.

In February 2020, an appellate court determined the original county ordinance had not fully examined or mitigated for the ***oil*** industry's local impacts on air quality, water supply, ag land conversion and noise.

The county then undertook a supplemental environmental review and made revisions to its permitting ordinance that it said addressed the deficiencies. A little more than a year ago the county moved to reinstate its permitting system, with adjustments.

On Oct. 4, Pulskamp ruled the county had acted prematurely by resuming its permitting activity prior to a review by the court. He allowed permits issued in the previous six months to stand but he ordered the county to withhold further permitting pending the outcome of next month's trial.

The state, however, set aside permits issued by the county between March of last year and October, forcing ***oil*** producers to restart their project applications.

Rock Zierman, CEO of the California Independent Petroleum Association trade group, expressed frustration with the state's decision to nullify roughly six months' worth of permits despite the judge's order allowing them. He also asserted the state's ***oil*** regulatory agency, the California Geologic Energy Management Division, should have adjusted by now to taking over ***oil*** permitting.

***Kern*** County officials declined to comment on next month's trial.

A pair of organizations involved with the lawsuit noted in emailed statements that the latest legal wrangling represents the second time the county has been ordered to make changes to its ***oil*** permitting ordinance.

Deputy Managing Attorney Colin O'Brien with Earthjustice said in an email the most recent changes are inadequate to address shortcomings the court found in 2020. He asserted the county's "intention to rubber stamp permits for tens of thousands of new wells" shows disregard for the health of county residents, especially those living near ***oil*** fields.

Staff Attorney Daniel Ress with the Center on Race, Poverty & the Environment said resuming the county's permitting system would eliminate future environmental reviews and local input.

"In its rush to accelerate ***oil*** and gas development, the county — for a second time — neglected its legal duties to fully disclose and address the harmful consequences of drilling on air quality, water supply and community members' health and quality of life," he said in an email statement.

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