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June 4, 2024

The Honorable Dave Min, Chair
Senate Committee on Natural Resources and Water
1021 O Street, Room 3220
Sacramento, CA 95814

RE: AB 2716 (Bryan), Low production oil and gas well penalties - OPPOSE

Dear Senator Min,

I am writing on behalf of the Kern County Board of Supervisors to express our serious concerns with AB 2716 (Brayn), which would eliminate the existing idle well fee program and the existing idle well management program (IWMP) and require the plugging and decommissioning of actively producing wells. This blanket prohibition on owning a low producing well comes with a \$10,000 per day fine for operating those wells. This is inconsistent with existing statutes that promote the domestic production of oil (PRC section 3601) and support California's need for in-state oil production to meet the demands of manufacturing fuel for California drivers.

This bill is based on the false premise that a "low producing well" (defined in the bill as producing less than 15 barrels of oil per day) is essentially the same as an idle well. Prior to drilling an oil well, engineers design the well explicitly based on its anticipated volume of production, whether it is 15 barrels or less per day or significantly more than that. The wells are specifically designed and engineered to accommodate the amount of oil produced on a daily basis. Like high-producing wells, low-producing wells have been deliberately engineered for decades based on the available reserves and are regulated by the California Geologic Energy Management Division (CalGEM) to ensure that public health and safety is protected. In addition, it is also a false assumption that a low producing well has any greater or lesser risk associated with its operation than any other oil or gas well, without regard to volume of production. All are managed and regulated equally by the state under the same environmental and public safety rules and regulations.

The IWMP has proven to be an effective means to encourage operators to plug and decommission thousands of long-term idle wells while at the same time allowing operators the flexibility to maintain the availability of short-term idle wells that still retain potential future production capacity or may be used for other purposes such as carbon sequestration and storage. In place of the IWMP, this bill would force the plugging and abandonment of producing wells within the 3,200-foot setback area within 24 months. This will remove a valuable contributor to California's current oil and gas needs and future sequestration efforts.

In addition, on November 28, 2018, the California Council on Science and Technology (CCST) published a report titled "Orphan Wells in California: An Initial Assessment of the State's Potential Liabilities to Plug and Decommission Orphan Oil and Gas Wells¹." The CCST analysis found that 5,540 wells in California may already have no viable operator or be at high risk of becoming orphan wells. In response to the CCST report the Geologic Energy Management Division (CalGEM) put together a list of 5,356 wells that were "orphaned, deserted, or potentially deserted." Roughly 95% of the wells on this list were "potentially deserted wells" where the owner/operator did not pay idle well fees over a period of time. Many of these wells are located in urban areas throughout the State and some are labeled as "critical wells" which means they are within 300 feet of a building, an airport runway, highway, body of water, public recreational facility, or a wildlife preserve. Policymakers should prioritize and focus on these critical wells for immediate plugging and decommissioning rather than pass a unilateral action on all low producing wells that is not based on science or fact and does nothing to address the immediate health and safety issues created by known abandoned wells.

For these reasons, the Kern County Board of Supervisors strongly opposes this legislation and respectfully requests that you vote **NO on AB 2716**.

Sincerely,



David Couch, Chairman
Kern County Board of Supervisors

cc: Honorable Members, Senate Committee on Natural Resources and Water
Honorable Members, Kern Legislative Delegation
Western States Petroleum Association
California Independent Petroleum Association
Kern County Planning and Natural Resources Department
Shaw Yoder Antwih Schmelzer & Lange

¹ <https://ccst.us/wp-content/uploads/CCST-Orphan-Wells-in-California-An-Initial-Assessment.pdf>.