Department of Conservation NEWS RELEASE



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State Regulators Propose New Oil and Gas Regulations

SACRAMENTO – The California Department of Conservation (DOC) today announced <u>proposed</u> <u>regulations</u> to increase environmental safeguards in two areas of oil and gas production: underground injection control and idle wells. The publication of the regulations in the <u>California Regulatory Notice</u> <u>Register</u> initiates the formal rulemaking process and marks the opening of the 45-day public comment period.

The regulations will strengthen the state's oversight of oil and gas production and continue to ensure that underground sources of drinking water are protected. They build on previous draft regulations that were available for public comment in 2017.

"These proposed regulations are a significant milestone in our progress to modernize the way we regulate the oil and gas industry in California to protect the environment and the public," said DOC Director David Bunn.

When finalized, the underground injection control regulations will impact about 55,000 wells in the state. This includes wells that inject water or steam for enhanced oil recovery, which account for about 60 percent of California's production, and wells that inject wastewater for disposal. A third category of underground injection wells – used for underground gas storage – is covered by separate regulations.

Key elements in the underground injection control (UIC) regulations include:

- Stronger testing requirements designed to detect leaks before they occur.
- Increased data requirements to ensure the potential risks of proposed projects are fully evaluated.
- Continuous well pressure monitoring.
- Requirements to automatically cease injection when there is a risk to safety or the environment.

- Monitoring for seismic activity.
- Requirements to disclose chemical additives.

Idle wells pose a potential risk to the state, where oil has been produced since the late 1800s. There are about 30,000 idle wells that are not producing oil, but they have not been permanently sealed (plugged and abandoned) in order to protect the environment and the public. DOGGR's new regulations are being developed as required by <u>AB 2729</u> (Williams, Salas, and Thurmond), which was signed into law by Governor Edmund G. Brown Jr. in 2016.

Key elements in the idle wells regulations include:

- A comprehensive well testing regime.
- Permanently sealing long-term idle wells.
- Requiring long-term idle well management plans.
- Increasing funding to seal deserted wells through fees paid by operators.
- Collecting the data necessary to prioritize which wells should be permanently sealed.

"Over time, idle wells can degrade and pose a risk to underground sources of drinking water," said State Oil and Gas Supervisor Ken Harris. "We want to reduce the risk of this occurring while also creating incentives for operators to clean up idle wells so they don't become a financial burden to the state."

The public can submit comments related to either or both sets of proposed regulations in writing or at a public comment hearing. DOC will review each timely and relevant comment received, and any revisions to the proposed regulations will be made available for review in a subsequent public comment period. DOC will respond to all comments in documents filed during the final stages of the rulemaking process.

The deadline for public comment on each of the regulation packages is 5 p.m. September 13, 2018. Comments can be sent by fax to (916) 324-0948, or by mail to Department of Conservation; 801 K Street, MS 24-02; Sacramento, CA 95814 (please specify the subject of the comments on the envelope). The email address for UIC comments is UIC.Regulations@conservation.ca.gov. The email address for idle well comments is DOGGRregulations@conservation.ca.gov.

Comments also can be made in person at the following meetings:

<u>Bakersfield</u> -- September 12 at the Four Points by Sheraton, 5101 California Avenue. Comments related to idle wells: 9 a.m. to noon. Comments related to underground injection: 1-4 p.m.

<u>Los Angeles</u> -- September 13 at the Ronald Reagan State Building, 300 South Spring Street. Comments related to idle wells: 9 a.m. to noon. Comments related to underground injection: 1-4 p.m.