



**NOTICE TO OPERATORS
2024-06**

June 28, 2024

REGULATORY REQUIREMENTS FOR OPERATOR COMPLIANCE WITH SENATE BILL 1137

The California Geologic Energy Management Division (CalGEM) is issuing this notice to inform operators that **the requirements established by Senate Bill 1137 (Gonzalez, Chapter 365, Statutes of 2022), adding Public Resources Code sections (PRC) 3280 through 3291, are no longer stayed and are currently in effect.** A referendum challenge to the legislation resulted in a stay of the new requirements, but on June 27, 2024, the proponent of the referendum withdrew it. Therefore, as of that date, the requirements of Senate Bill (SB) 1137 are no longer stayed, pursuant to Elections Code section 9033, subdivision (d)(2).

The emergency regulations CalGEM adopted on January 6, 2023, supporting implementation of these requirements were also stayed by the referendum, and the implementing regulations are also once again effective as of June 28, 2024, the day after the referendum was withdrawn. The emergency regulations establish specific requirements for operators to comply with the law, including providing CalGEM with information needed to confirm operators comply with the law. The SB 1137 First Emergency Implementation Regulations can be found here: [SB 1137 First Emergency Regulations](#).

All operators are required to comply with the provisions established by Senate Bill 1137 and the SB 1137 First Emergency Implementation Regulations. Failure to do so may result in enforcement action.

All notices of intention (NOI) subject to the requirements of SB 1137 currently with CalGEM will be returned to the operators so they can reevaluate and resubmit them in accordance with SB 1137.

The SB 1137 First Emergency Implementation Regulations describe additional information required from operators to support the review of NOI submitted under PRC 3203. This notice to operators (NTO) provides further guidance for operators pertaining to NOI already submitted to CalGEM and new NOI.

This NTO also provides guidance for operators who have not commenced work within a health protection zone (HPZ), pursuant to an issued permit by CalGEM before June 28, 2024, on how to demonstrate compliance with SB 1137's requirements for notice and water testing for owners and tenants of property within 3200 feet. Finally, this NTO provides guidance on reporting proposed new production facilities within an HPZ.

SB 1137 provides for certain exemptions to the restriction on permit approvals in the HPZ.

The following guidance in this NTO does not apply to the following NOI:

1. "Nonfossil fuel production and injection purposes" as described in PRC 3281.5, which refer to NOI necessary to plug and abandon or replug and abandon idle wells and idle-deserted wells on land that will be used for "nonfossil fuel production or injection and related uses."
2. Under PRC 3281(a), 3281.5, and as clarified in the SB 1137 First Emergency Regulations, NOI to plug and abandon or re-abandon a well, including for intercept wells necessary for plug and abandonment, can be approved without the additional information described in the SB 1137 First Emergency Regulations.
3. Under PRC 3281(d), underground gas storage wells and their attendant production facilities are also not subject to the requirements established by SB 1137.

NOI Submitted to CalGEM After June 27, 2024

All operators who submit an NOI to perform well work after June 27, 2024, are required to provide information as part of their NOI submittal in accordance with the requirements set forth in California Code of Regulations, title 14, sections (CCR) 1765.3, 1765.7, 1765.8, and 1765.9. CalGEM will not approve these NOI unless operators submit this information and CalGEM confirms that the NOI complies with the new requirements established by PRC 3281. Operators may submit this requisite information according to the following instructions:

Instructions for Uploading Required Information to Support Compliance with SB 1137

1. In the NOI online form, navigate to the "Document Upload" step #11, click "Actions," and select "Add New."
2. Select the appropriate document type to be uploaded, which includes:
 - a. Sensitive Receptor(s) Map for Notice
 - b. Sensitive Receptor(s) Inventory for Notice
 - c. Sensitive Receptor(s) Statement for Notice
 - d. Exception Statement (PRC 3284)
 - e. Neighbor Notification Waiver Request (PRC 3284)
3. Add an appropriate document description in the description field, upload the relevant file using the "Browse" button, and then click the "Upload" button to complete the document upload.
4. Repeat these steps for each applicable requisite document.

To support operator compliance, CalGEM developed a template operators may use if they are required to submit a sensitive receptor inventory as part of their NOI or as part of a new production facility notification in accordance with CCR 1765.7. The templates can be found at: <https://www.conservation.ca.gov/calgem/Pages/SB1137.aspx>

NOI Submitted to CalGEM Before June 28, 2024

As of June 28, 2024, CalGEM will return to the operators, all pending NOI subject to the requirements of SB 1137. Operators may choose to resubmit NOI following the instructions above for NOI submitted after June 27, 2024.

NOI Approved Prior to June 28, 2024, but for which Well Work Has Not Commenced

Effective June 28, 2024, SB 1137 requires that before commencing any work that requires a notice of intention under PRC 3203 in a Health Protection Zone (HPZ), operators must provide notification to all tenants and property owners within a 3,200-foot radius of the wellhead and, offer to sample and test water wells or surface water on their property (PRC 3284). This law applies to all work performed within an HPZ, regardless of when the NOI was approved. Thus, it includes work commenced on or after June 28, 2024, on an NOI approved before June 28, 2024.

If an operator has an NOI for well work that was approved prior to June 28, 2024, but for which well work has not commenced, and the operator believes the well to not be in an HPZ, the operator must submit a statement verifying the well is not in an HPZ in accordance with CCR 1765.9 before well work commences. Operators can submit these statements by email to the appropriate district office as listed below. The statement should identify the associated well or facility and permit number.

If an operator has an NOI for well work that was approved prior to June 28, 2024, but for which well work has not commenced, and the well is located in an HPZ in accordance with CCR 1765.9, the operator must comply with the requirements for noticing property owners and tenants in PRC 3284, and the specific requirements detailing how to carry out and document the notification and water sampling and testing in CCR 1765.4 and 1765.4.1.

The required declaration of completion of neighbor notice and the summary of water testing performed can be submitted by email to the appropriate district office. The appropriate well or facility and the permit number should be specified in documents.

When an operator is conducting water sampling pursuant to PRC 3284 and CCR 1765.4, the operator must provide notification to the appropriate regional water quality board and State Water Resources Control Board (State Water Board) at least five days prior to collecting any baseline water samples. For questions regarding providing this notice and providing subsequent water quality data to the State Water Board's GeoTracker Information System, please contact WB-DWQ-HPZoneSampling@waterboards.ca.gov.

Operators cannot commence work until at least five working days after providing CalGEM with the declaration of completion of notice and, if testing is requested, the date(s) of baseline testing performed, as specified in CCR 1765.4 (a).

Failure to comply with these requirements for noticing and documentation of water sampling and testing may result in enforcement action.

NOI Approved Prior to June 28, 2024, for which Well Work Has Commenced

If operators have an NOI that was approved prior to June 28, 2024, and well work under that NOI commenced prior to June 28, 2024, no additional actions are required to be taken by the operator for work conducted under the NOI to comply with SB 1137.

Operators Constructing or Operating New Production Facilities

Effective June 28, 2024, before constructing or operating a new production facility of the types listed in CCR 1765.5(a), operators must provide notice to CalGEM that meets the content requirements detailed in CCR 1765.5.1.

A New Production Facility Notice (NPFN) is required, regardless of its location, to allow CalGEM to confirm, at minimum, the location of the production facility relative to any HPZ to ensure compliance with the new limitations described in PRC 3281 (b). A Notice of New Production facility is not required when undertaking repairs or replacements of production facilities, provided that certain conditions apply and are appropriately documented, as detailed in CCR 1765.5(c). Please contact the respective CalGEM district office for the latest version of the NPFN form which is recommended for NPFN submission.

If production facilities are to be constructed or operated in association with well work requiring an NOI and located within an HPZ, operators should provide the information identified in CCR 1765.3(b)(2) as part of the NOI.

All operators are required to comply with the provisions established by SB 1137 and the SB 1137 First Emergency Implementation Regulations, including the requirement to provide notice prior to constructing or operating a new production facility in California, and failure to do so may result in enforcement action.

Sensitive Receptor Inventory and Map

CalGEM recognizes that the statutory deadline for operators to submit a sensitive receptor inventory and map is long since passed. To provide a reasonable timeframe for implementation, every operator must submit a sensitive receptor inventory and map to CalGEM within six months of June 28, 2024. Sensitive receptor inventories and maps must comply with the content and format requirements outlined in CCR 1765.7 and 1765.8.

For submitting all documentation required for compliance with SB 1137, operators can contact the appropriate district office as follows:

Central District: CalGEMCentral@conservation.ca.gov

Southern District: CalGEMSouthern@conservation.ca.gov

Northern District: CalGEMNorthern@conservation.ca.gov

CalGEM will issue additional NTO as appropriate, regarding the implementation of SB 1137.

If you have any questions or concerns regarding compliance with this notice, please contact CalGEM Headquarters at (916) 445-9686 for referral to SB 1137 Implementation or SB1137Implementation@conservation.ca.gov.

Douglas Ito

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