



NOTICE TO OPERATORS
2024-13

November 18, 2024

REQUIREMENTS FOR IDLE WELLS EFFECTIVE JANUARY 1, 2025

The California Geologic Energy Management Division (CalGEM) is issuing this notice to remind operators of existing idle well requirements and inform of changes established by Assembly Bill 1866 (Hart, Chapter 548, Statutes of 2025) (AB 1866) in Public Resources Code (PRC) section 3206. Effective January 1, 2025, a number of new idle well management requirements will go into effect, including increases in idle well fee and Idle Well Management Plan elimination requirements.

Due Date for Idle Well Fees and Idle Well Management Plan

AB 1866 clarified that the May 1st deadline, which applies to idle well fees, also applies to the filing of an Idle Well Management Plan (IWMP). By May 1st, operators of any idle well that was idle at any time in the previous calendar must either pay idle well fees or file an IWMP for the elimination of all the operator's idle wells.

Changes to Idle Well Fees

As outlined below, effective January 1, 2025, AB 1866 significantly increases idle well fees. Annual idle well fees are now assessed on any well that was idle at any point in the prior calendar year concluding December 31 of the invoiced year. CalGEM will issue idle well fee invoices no later than April 1. Operators may apply to CalGEM any time before May 1 to have the invoice corrected.

January 1, 2025 until January 1, 2028	
Years Idle	Idle Well Fee Per Well
0-2.99	\$1,000
3-7.99	\$2,500
8-14.99	\$5,000
15-19.99	\$12,500
20+	\$22,500
On and after January 1, 2029	
20-24.99	\$22,500
25+	\$60,000

Changes to Idle Well Management Plans

Previously, IWMP provided for the elimination of long-term idle wells, but IWMPs now must provide for the elimination of idle wells. As outlined in the table below, the idle well elimination requirements per calendar year have also increased.

State-Wide Idle Well Count	CY 2025-2027	CY 2028-2029	CY 2030
0-250	5%	6%	8%
251-1,250	6%	8%	10%
1,251-3,000	7%	10%	15%
3,001+	15%	18%	20%

CalGEM has developed a voluntary form operators may use when submitting an IWMP. To request a copy, please contact the Idle Well Program. When submitting an IWMP each year, an operator is not required to list all of the idle wells in possession as of January 1, but only those idle wells that the operator plans to eliminate in accordance with the terms of the IWMP. For any well that an operator intends to return to use on an IWMP, CalGEM reminds operators that the well must be in compliance with the testing and analytical requirements of California Code of Regulations, title 14, (CCR) sections 1772.1, 1772.1.1, and 1772.1.2.

Operators are now required to consider the following when prioritizing idle wells for plugging and abandonment, in addition to the priorities identified in CCR section 1772.4:

- The age of the idle well;
- Any indication that the idle well potentially poses a threat to life, health, property, or natural resources;
- Wells that are located within 3,200 feet of a sensitive receptor, as defined in PRC section 3280.

Operators must also include notes indicating the basis for prioritizing the wells. (PRC, § 3206, subds. (a)(2)(B) and (C).) CalGEM will review the IWMPs and may require adjustments in the wells to be prioritized for elimination.

Previously, credits earned for eliminations in excess of the elimination requirements expired after two years. Now, if an operator eliminates more wells than required in calendar year 2024 or any subsequent year, those credits earned no longer expire. (PRC, § 3206, subd. (a)(2)(F).)

An operator who fails to comply with the terms of their IWMP, as determined by the supervisor, will have their IWMP canceled and will be required to pay idle well fees for the year the IWMP covered and the next two years. Operators who have had their

IWMP cancelled by CalGEM will now be prohibited from filing a future IWMP until all prior idle well fees, penalty, and interest are paid in full. (PRC, § 3206, subd. (a)(2)(H).)

Idle Well Testing Waiver Plan (Waiver)

The Idle Well Testing Waiver Plan (Waiver) remains a method for operators to manage their idle wells for plugging and abandonment as outlined in CCR section 1772.2. Operators may move an idle well from an approved Waiver to an IWMP for elimination, but this is subject to review and approval by CalGEM, as outlined in Notice to Operators 2022-07. Any request to amend a Waiver, including moving a well to an IWMP, must be submitted to the Idle Well Program and include a justification for the request.

Operators who wish to partially plug wells are advised to keep the wells on their Waiver as partially plugging a well in accordance with CCR section 1752 will not contribute towards elimination on an IWMP. If an operator requests to move a well from a Waiver to an IWMP but changes the elimination type to "return to use," the operator will be required to first bring the well into compliance with the testing and analytical requirements of CCR sections 1772.1, 1772.1.1, and 1772.1.2.

Inaccessible Idle Wells

Subject to CalGEM approval, an idle well that is "inaccessible" is exempt from the idle well fee and IWMP requirements. The operator must make a diligent effort to locate and access the well and provide documentation demonstrating that it is infeasible to locate or physically access the wellbore.

Within one year of CalGEM's approval of an idle well as "inaccessible," the operator must submit an Inaccessible Monitoring and Mitigation Plan. (CCR, § 1772.1, subd. (d)(1).) As long as the well is designated as an inaccessible idle well, the well is exempt from the testing requirements of CCR section 1772.1, subdivision (a) and idle well requirements found in PRC section 3206. Operators may submit their demonstration of a diligent effort to locate and access a well via WellSTAR's Inaccessible Idle Well form.

Idle Well Testing Compliance Work Plan (TCWP)

The Idle Well Testing Compliance Work Plan (TCWP) which scheduled wells idle as of April 1, 2019, for an idle well casing pressure test and cleanout tag, if required, will be ending on April 1, 2025. (CCR, § 1772.1.4, subd. (a).) As a reminder, all wells first tested on the TCWP will revert to the testing frequencies outlined in CCR section 1772.1, subdivision (a).

Idle Well Fluid Level Testing

CCR section 1772.1, subdivision (a)(1), requires operators to complete a fluid level testing within 24 months of a well becoming idle. After April 1, 2025, the first fluid level test conducted with an indication that fluid is known or presumed to be above the base of an Underground Source of Drinking Water, will require the operator then

NTO 2024-13

November 18, 2024

perform a casing pressure test within 90 days. (CCR, § 1772.1, subd. (a)(1).) To further qualify, CalGEM considers the "first test" to be the first test conducted after the well's current idle start date. CalGEM will take into account any recent casing pressure testing conducted prior to the failed fluid level when determining the need to conduct the pressure test as contemplated by CCR section 1772.1, subdivision (a)(1). As a reminder, fluid level testing, like all other idle well testing, requires advance notice to CalGEM District offices and the results and documentation must be submitted to CalGEM for review in a timely manner. (CCR, § 1772.1, subd. (c).) If the fluid level is known or presumed to be above USDW, the results are due within 30 days. (CCR, § 1772.1, subd. (c).) If it has been demonstrated to CalGEM satisfaction that fluid is below USDW, then test results are due within 60 days. (CCR, § 1772.1, subd. (c).)

As a reminder, the items listed above are not an exhaustive list of all idle well requirements. Please ensure that you are familiar with all relevant statutory and regulatory requirements.

If you have any questions or concerns regarding compliance with this notice, please contact CalGEM Headquarters at (916) 445-9686 for referral to the Idle Well Program or CalGEMIdleWells@conservation.ca.gov.

Doug Ito

Doug Ito
State Oil and Gas Supervisor