

**State of California**

**PUBLIC RESOURCES CODE**

**Section 3206**

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3206. (a) The operator of any idle well shall do either of the following:

(1) No later than May 1 of each year, for each idle well that was an idle well at any time in the last calendar year, file with the supervisor an annual fee equal to the sum of the following amounts:

(A) One hundred fifty dollars (\$150) for each idle well that has been an idle well for three years or longer, but less than eight years.

(B) Three hundred dollars (\$300) for each idle well that has been an idle well for eight years or longer, but less than 15 years.

(C) Seven hundred fifty dollars (\$750) for each idle well that has been an idle well for 15 years or longer, but less than 20 years.

(D) One thousand five hundred dollars (\$1,500) for each idle well that has been an idle well for 20 years or longer.

(2) File a plan with the supervisor to provide for the management and elimination of all long-term idle wells.

(A) For the purposes of the plan required by this paragraph, elimination of an idle well shall be accomplished when the well has been properly abandoned in accordance with Section 3208, or it has been shown to the division's satisfaction that, since the well became an idle well, the well has maintained production of oil or gas or been used for injection for a continuous six-month period.

(B) A plan filed pursuant to this paragraph shall meet all of the following requirements and conditions:

(i) The plan shall specify the time period that it covers. The plan and any renewal of the plan shall cover a time period of no more than five years and shall be subject to approval by the supervisor who may prioritize the order in which idle wells are addressed.

(ii) The plan shall be reviewed for performance annually by the supervisor, and be subject to amendment by the supervisor, or by the operator with the approval of the supervisor.

(iii) The required rate of long-term idle well elimination shall be based upon the number of idle wells under the control of an operator on January 1 of each year, as specified in clause (iv). If the operator has eliminated more wells than required in the prior two years, the supervisor may deduct from the new requirement the net total of long-term idle wells eliminated in excess of those previously required. In addition, the supervisor may require additional well testing requirements as part of the plan.

(iv) Unless and until the operator has no long-term idle wells, the plan shall require that operators with 250 or fewer idle wells eliminate at least 4 percent of their

long-term idle wells each year, and, in no case, less than one long-term idle well; operators with 251 to 1,250, inclusive, idle wells eliminate at least 5 percent of their long-term idle wells each year, and, in no case, less than one long-term idle well; and operators with more than 1,250 idle wells eliminate at least 6 percent of their long-term idle wells each year, and, in no case, less than one long-term idle well.

(v) An operator who fails to comply with the plan, as determined by the supervisor after the annual performance review, is not eligible to use the requirements of this paragraph, for purposes of compliance with this section, for any of its idle wells. That operator may not propose a new idle well plan for the next five years. An operator may appeal to the director pursuant to Article 6 (commencing with Section 3350) regarding the supervisor's rejection of a plan and plan amendments and the supervisor's determination of the operator's failure to comply with a plan. If the supervisor's determination that the operator failed to comply with the plan is not timely appealed, or if the director upholds the supervisor's determination upon appeal, then the operator shall immediately file the fees required under paragraph (1) for each year that the operator failed to comply with the plan.

(b) All fees received under this section shall be deposited in the Hazardous and Idle-Deserted Well Abatement Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the moneys in the Hazardous and Idle-Deserted Well Abatement Fund are hereby continuously appropriated to the department for expenditure without regard to fiscal year, to mitigate a hazardous or potentially hazardous condition, by well plugging and abandonment, decommissioning the production facilities, or both, at a well of an operator subject to the requirements of this section.

(c) Failure to file, for any well, the fee required under this section shall be conclusive evidence of desertion of the well, permitting the supervisor to order the well abandoned pursuant to Section 3237.

(d) Nothing in this section prohibits a local agency from collecting a fee for regulation of wells.

(e) This section shall become operative on January 1, 2018.

(Amended by Stats. 2018, Ch. 742, Sec. 3. (SB 1493) Effective January 1, 2019.)