August 8th, 2022

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: Needed reforms concerning California's idle and orphan wells

Dear Governor Newsom:

The undersigned 100+ organizations, representing hundreds of thousands of members in California, request your administration take the steps laid out below to tackle California's enormous and growing orphan and idle well crisis. Most importantly, we are asking you to direct the Geologic Energy Management division (CalGEM) and other appropriate agencies to do the following:

1. Prevent worsening of the problem by completing the health and safety rulemaking and strengthening it to apply the 3,200-foot setback to existing oil and gas wells; and commit to ending permit approvals for new wells altogether.
2. Fully utilize its extensive authority to issue and enforce plugging and abandonment orders to operators for all wells that meet the criteria for immediate closure.
3. Where operators are unwilling, unable, or unavailable to comply, take swift action to perform the plugging and abandonment (increasing CalGEM staffing levels as necessary), under fair labor practice standards; and recoup all expenditures from responsible operators or the industry as a whole.
4. Improve and increase monitoring and inspections to detect and stop methane leaks, particularly for wells near residential neighborhoods, and strengthen regulatory standards governing leaks.
5. Fully utilize its authority to increase bonding amounts to the level required to ensure proper closure and remediation of wells.

As you are likely aware, over 40 idle wells in Kern County were recently discovered to be leaking dangerous levels of methane and, almost certainly, high levels of air toxics in multiple Bakersfield neighborhoods within a few hundred feet of homes, schools, a hospital, a park, and a day care center. The financially threadbare owner of the initially-discovered leaking wells presents textbook orphan well risk: a long history of bankruptcy, corporate status suspension, non-compliance with CalGEM requirements, and non-payment of idle well fees. While we wish this were an isolated happening, it is clearly not. It is, on the contrary, the tip of the very large iceberg of California's massive and growing idle and orphan well problem that will take a concerted effort and political will from the Governor and regulators to solve.

The idle and orphan well problem threatens both California's climate goals and public health. Numerous studies have documented the methane and hazardous pollutants that inevitably

leak from these wells when they are not properly plugged.[1] Methane is a greenhouse gas with more than 80 times the warming power of carbon dioxide on a 20-year time horizon[2]; allowing it to leak unabated from idle wells severely undercuts California's efforts to curb greenhouse gas emissions. Additionally, methane leaks present an immediate explosion hazard for the surrounding community at the levels observed at the Bakersfield wells. And the wells leaking methane are likely to also be leaking polluting and sometimes toxic air contaminants, and metals, radioactive materials, and other substances found in oil into the surrounding soil and water environment. There have been numerous recent anecdotal reports from residents near the leaks of headaches, dizziness, nausea, and other health problems potentially associated with air toxics.

The orphan well problem poses significant financial risk to the state if steps are not taken right away to place the risk back on industry where it rightly belongs. The California Council on Science and Technology (CCST) in 2018 estimated a $500 million cost to plug and abandon the 5,000-plus idle wells at immediate risk of being orphaned and an additional $5.2 billion cost to plug and abandon the approximately 70,000 idle and marginal wells that could become orphan wells in the future as their production declines and/or as they are acquired by financially weaker operators.[3] Even with the federal funding slated to come to California to address orphan wells, the current total available funds fall woefully short of what is needed to tackle the problem. The CCST determined that the average cost to remediate a well is roughly $68,000, not including the cost of restoring the surface of the well site; but the average available bond money available per well is just north of $1,000.[4] For large producers, blanket bonds allow companies to set aside as little as $80 per well.[5]

The infusion of funds – from the federal Infrastructure Investment and Jobs Act (IIJA) bill and this year's state budget – provides an opportunity for progress but is not a magic bullet. Your administration should pursue reforms right away to ensure that the funds are spent effectively and where they are most needed; that taxpayers are not ultimately charged with paying to clean up industry's damage; that ongoing harm from existing idle and orphan wells is promptly abated; that the cleanup is done by qualified labor covered by protective standards as part of a just transition effort; and that the state does not continue to add more orphan wells and

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[1] Fact sheet, *Benefits to Safely Managing Orphaned Oil and Gas Wells,* American Association for the Advancement of Science Center for Scientific Evidence in Public Issues April 2021, *available at* https://www.aaas.org/sites/default/files/2021-04/AAAS-EPI-Center_FactSheet_Oil-Gas-Wells.pdf?adobe_mc=MCMID%3D26996446975428905222661444308336481556%7CMCORGID%3D242B6472541199F70A4C98A6%2540AdobeOrg%7CTS%3D1656614068.

[2] Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). 2022. https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf.

[3] CalGEM's recent estimate of the number of deserted and potentially deserted wells submitted in connection with its application for federal orphan well remediation funding is roughly in line with the 2018 CCST estimate of the number of wells at risk of being orphaned.

[4] *Orphan Wells in California: An Initial Assessment of the State's Potential Liabilities to Plug and Decommission Orphan Oil and Gas Wells.* CCST 2018, *available at* https://ccst.us/wp-content/uploads/CCST-Orphan-Wells-in-California-An-Initial-Assessment.pdf.

[5] Center for Biological Diversity, "Undercover Risks: How Big Oil's 'Blanket Bonds' Jeopardize the Environment and State Budgets, (Oct. 21, 2020), available at https://www.biologicaldiversity.org/programs/climate_law_institute/pdfs/Undercover-Risks-20-10-21-Blanket-Bond-Report.pdf.

associated public risk to the mix through inadequate bonding and continued permitting of new oil and gas projects, particularly in neighborhoods and communities.

To date we do not have any assurances that CalGEM is prepared to spend the orphan well remediation funds coming its way in a manner that meets these objectives. The Legislative Analyst's Office documented earlier this year that CalGEM has remediated an average of 11 wells per year in the last 5 years.[6] This reflects a need to rapidly ramp up the pace of remediation in a way that may not be feasible at current staffing levels. As discussed in the sections below, the agency has also not kept up with its statutory obligations to report on idle and orphan wells and develop a means to estimate the cost of remediating them; has not yet fully implemented its authority created by AB 1057[7] three years ago to increase bonding requirements based on risk factors; has not engaged in thorough and consistent monitoring of idle well fugitive emissions; and has made very limited use of its authority to order plugging and abandonment of long-term idle wells at risk of becoming orphaned.

Your administration must urgently take steps beyond the federal and state appropriations to ensure that the idle and orphan well problem is addressed in a way that is immediate, effective, and permanent. Described below are our recommendations for reforms that have the potential to make genuine progress in addressing the idle and orphan well threat, and ensuring that available funds are spent effectively. They reflect two overarching priorities that we believe are essential to ensure that reforms are just, fair, and effective. First, the state must adhere to the "polluter pays" principle and ensure that oil companies, not taxpayers, pay for cleanup costs as required by law. Even where no viable owner has been identified to pay for remediation (which is the definition of an orphan well), the industry as a whole should pay to fix the problem. Second, it is essential that the state commit to phasing out oil production altogether as soon as possible, particularly where it heavily affects neighborhoods – the only way to ensure that we do not add to our already crisis-level orphan well problem. In particular, ending oil drilling within 3,200 feet of sensitive receptors - including existing wells - would be a step toward curbing the immediate public health risk to communities, especially when those wells inevitably cease producing.

I. Steps the Administration Should Take

We have set forth below actions that your Administration can and should take, via CalGEM or other appropriate agencies, that are authorized and in some cases mandated under current law and hence can be implemented immediately.

- *CalGEM should expand and complete the setback rulemaking.* California residents and CalGEM's own scientific experts have already commented extensively in support of that rulemaking, and the need to expand it to include reworking of existing wells in addition to new wells. We underscore here that the rulemaking is also essential to addressing the orphan well crisis, by ensuring that we do not sow the seeds of future orphan wells in vulnerable neighborhoods. Further, while engineering controls and monitoring to manage

[6] *The 2022-23 Budget, Oil Well Abandonment and Remediation,* Legislative Analyst's Office January 31, 2022, *available at* https://lao.ca.gov/Publications/Report/4508.
[7] https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1057

idle and active wells are essential, they do not eliminate harms to nearby sensitive receptors, even when done properly (which, as discussed below, they are not currently).[8,9] Thus, setbacks are necessary to protect community members from both the harms of active oil extraction and the extended harms of long-term idle and orphan wells. We urge you to expedite this year-delayed rulemaking process and make comprehensive, health and safety setbacks applying to new and existing wells as soon as possible.

- *CalGEM should commit to end permitting for new oil and gas wells.* Approving new drilling permits only adds to the inventory of oil and gas wells that will need to be plugged and abandoned. CalGEM should commit to ending the issuance of permits for new wells, rather than continuing to increase the number of potential future orphan wells. We support CalGEM's determination not to issue fracking permits using its authority under Public Resources Code section 3106 to protect the public and the environment as a good first step in this direction; and support your stated commitment to move beyond oil altogether.

- *CalGEM should fully use its authority to order plugging of idle wells.* As important as remediating orphan wells is taking steps to ensure that wells do not become orphaned in the first place. Hence, CalGEM should maximally deploy its authority under the Public Resources Code to order plugging and abandonment of idle wells for whom a responsible party might still be identified, but are at risk of becoming orphaned or causing harm. These include wells for which idle well fees have not been paid (§§ 3206 and 3237), wells identified by cities and counties as having no reasonable expectation of being reactivated (§ 3206.5), wells idle for at least 15 years with no engineering analysis showing viability (§ 3206.1), wells that have been idle more than 25 years and have no well management plan or bond on file and do not meet testing standards (§ 3237), wells that are leaking methane or other pollutants (§ 3255), and wells for which defined circumstances create an unrebutted presumption of desertion (§ 3237). There may currently be thousands of wells that can and should be prioritized for immediate plugging and remediation orders pursuant to this authority, based on leaking methane emissions, age, and failure of their operators to file idle well management plans or pay appropriate fees. Simply by issuing orders to plug wells that CalGEM has already determined should be plugged, CalGEM could begin rapidly reducing the number of idle wells in the state.[10] Any public funds expended on remediation should be recouped from a responsible

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[8] See, e.g., https://www.desertsun.com/story/news/environment/2022/06/29/california-oil-staff-forced-to-do-5-000-inspections-a-month-with-no-time-for-in-depth-reviews/9908823002/; https://www.desertsun.com/in-depth/news/environment/2021/03/22/california-oil-regulator-calgem-struggles-enforcement-fines/4765429001/.

[9] Deziel et al. 2022. *Applying The Hierarchy of Controls to Oil and Gas Development:* https://iopscience.iop.org/article/10.1088/1748-9326/ac7967

[10] In 2018, then-DOGGR identified 957 operators who failed to file idle well fees for 2,555 idle wells. But only 14 of these operators were issued orders, addressing 55 wells. CalGEM acknowledged that it has a backlog of pending orders for 943 operators to plug a total of 2,500 idle wells in its 2018 Idle Well Report and has yet to release another update with new information. Idle Well Program Report, Reporting Period: January 1, 2018 to December 31, 2018 and Prepared Pursuant to Assembly Bill 2729 (Ch. 272, Stats. of 2016), Published: July 1, 2019 https://www.conservation.ca.gov/calgem/idle_well/Documents/AB-2729-Idle-Well-Program-Report.pdf

operator or the industry as a whole.

- *CalGEM should ensure that the appeal process does not delay cleanup when active emissions are occurring.* Pursuant to Public Resources Code § 3226, CalGEM has the authority to determine that an emergency exists, and accordingly "order . . . the actions the supervisor deems necessary to protect life, health, property, or natural resources." When this occurs, pursuant to § 3350, the filing of an appeal does not have the effect of staying the order as it would in the ordinary course. CalGEM should use its power to issue emergency orders with respect to leaking wells near communities, which are clearly a risk to public health and safety that needs to be addressed immediately. Additionally, CalGEM should allocate its resources (or be provided additional resources as necessary) to ensure its ability to promptly hear and resolve appeals, to ensure that the duration of any stay associated with non-emergency orders is minimized.

- *CalGEM should step up inspection and monitoring of idle wells.* The morass of leaking wells in the Bakersfield area was discovered not by governmental monitoring but by a private person in the area making a documentary about aging oil infrastructure who was actually able to hear the hiss of methane leaking from the wells, and a private resident who submitted an IVAN report due to health impacts. When inspectors from the San Joaquin Valley Unified Air Pollution Control District (Air District) arrived to test the wells, they immediately noticed four additional wells that were leaking explosive levels of methane. It is hugely problematic that the leaks could reach that level of severity, and be so obvious to a casual observer, without having been discovered by agency enforcement personnel. CalGEM needs to devote significantly more resources to deploying its authority under Public Resources Code § 3255 to conduct "[a]ny inspection or tests necessary" – including soil gas testing in addition to air monitoring – to determine whether immediate plugging and abandonment is needed. Further, recent findings have revealed CalGEM's woefully inadequate "desk monitoring" practice that encourages employees to meet unachievable quotas by skimping on real-time and on-location inspections, putting thousands of Californians at risk and really calling into question the agency's prioritization of this issue. Any stepped-up inspection plan should be disclosed to the public via CalGEM's website as a matter of course; as should all inspection results, including well ID numbers (we note that residents have been seeking API numbers of actively leaking wells for over a month, and still have not received them). Any Air District inspection results should be publicly disclosed as well.

- *CalGEM and CalEPA should more effectively regulate and monitor methane leaks.* Both CalGEM and CalEPA can take effective steps to more effectively address the type of dangerous idle well methane leakage that has been occurring in Bakersfield. CalGEM should promulgate guidance and/or initiate a rulemaking expressly defining an action level for remediating all methane hazards, akin to the standard that the Department of Toxic Substances Control (DTSC) currently has in place for schools.[11] CalEPA,

[11] The DTSC Advisory on Methane Assessment and Common Remedies at School Sites states as follows:

> Methane is an asphyxiant and is combustible and potentially explosive when it is present at concentrations in excess of 53,000 parts per million by volume

meanwhile, should work with the Air Districts to close leak remediation loopholes. According to the Air District, there was a significant gap in its regulations that allowed the Bakersfield idle well leaks to persist without detection and remediation. Specifically, if a well within the jurisdiction of the Air District is used for oil with an American Petroleum Institute (API) gravity below 20 and is not steam-enhanced, that well is exempt from leak detection and repair (LDAR) requirements under the Oil and Gas Methane Rule and the Air District's relevant local rules.[12] Regulators assert that the leaking Bakersfield wells—along with perhaps the majority of oil wells in California—fall within this exemption. The California Environmental Protection Agency (CalEPA) should therefore take steps to work with the Air Districts to eliminate this and any other loopholes. We note that since the leaks are significant sources of volatile organic compounds (VOCs),[13] the remediation would fall within CalEPA's obligation to implement Reasonably Available Control Technology (RACT) pursuant to § 182(b)(2) of the Clean Air Act, defined as "the lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility."[14]

- *CalGEM should ensure that well remediation is done by qualified and protected labor.* The infusion of funds into the state for cleanup of orphan wells has the potential to further the state's just transition efforts, by ensuring that workers displaced by California's move toward clean energy have the opportunity for employment in cleaning up the infrastructure left behind. Achieving this end will require CalGEM to promulgate

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(ppmv) in the presence of oxygen. This concentration is referred to as the Lower Explosive Limit (LEL). In order to provide some margin of safety, a concentration of approximately ten percent (10%) of the LEL or 5,000 ppmv is commonly utilized as an "action level" above which mitigative measures are recommended. Where it is present at concentrations in excess of 5,000 ppmv, it is often conservatively presumed that methane may infiltrate through flooring material or cracks, accumulate under footings and in enclosed spaces (e.g., small rooms, vaults, wall spaces), and then cause a fire or explosion when an ignition source (e.g., pilot flame, electrical spark, cigarette) is present.

Accordingly, DTSC defines a "methane hazard" as "an accumulation, or the potential accumulation, of methane in the subsurface immediately beneath the footprint of an existing or proposed school building, including associated improvements, at concentrations in excess of 5,000 ppmv."

[12] The Oil and Gas Methane Rule itself, in Cal. Code Regs., title 17, section 95669(b)(2), exempts "components found on tanks, separators, wells, and pressure vessels [] used exclusively for crude oil with an API gravity less than 20 averaged on an annual basis." San Joaquin Valley Rule 4401—which regulates VOC emissions from steam-enhanced crude oil production wells—applies only to components at wells that are steam-enhanced. Rule 4401, § 2.0. And San Joaquin Valley Rule 4409—which regulates VOC emissions from leaking components at light crude oil production facilities, natural gas production facilities, and natural gas processing facilities—does not apply to facilities used for oil with an API gravity below 30 degrees. Rule 4409, § 3.22.

[13] U.S. EPA, *EPA's Actions to Reduce Methane Emissions from the Oil and Natural Gas Industry: Final Rules and Draft Information Collection Request* at 1, https://www.epa.gov/sites/default/files/2016-09/documents/nsps-overview-fs.pdf; CARB, *Public Hearing to Consider the Proposed Regulation for Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities – Staff Report: Initial Statement of Reasons* at 9 (May 31, 2016).

[14] 57 Fed. Reg. 13,498, 13,541 (Apr. 16, 1992).

rules and guidance requiring that any contractor hired to perform plugging and abandonment employ, to the greatest extent possible, workers who are from the community, displaced by the transition away from oil, unionized, and possessing the requisite skills to operate safely. In this regard, we urge you to ensure that any requirements of this nature are framed inclusively to allow participation of all qualified labor, avoiding the concerns that have emerged with certain legislation in recent years that would have had the effect of excluding steelworkers and others even though they have extensive skill and experience in well remediation.

- *CalGEM should maximally use its authority to increase bonding amounts.* Public Resources Code § 3205.3, established by AB 1057 in 2019, provides much-needed authority for CalGEM to require additional financial security above and beyond the demonstrably inadequate other statutory bonding amounts, based on assessment of actual cleanup costs and risks. While we understand and appreciate that CalGEM has been working on a methodology to implement this authority, we are concerned that nearly 3 years have elapsed with little use of it. It is essential that CalGEM begin to immediately demand financial security for plugging and abandonment from drilling applicants to ensure that we do not keep adding to the set of wells that require public funds to clean up. That can be done simultaneously with working out a system and guidelines for more systematic use of the § 3205.3 authority.

- *CalGEM should adopt the recommendations of community residents concerning well cleanup prioritization and cost estimation.* By letter dated May 2, 2022 to CalGEM, public interest and community organizations presented recommendations concerning the Division's efforts to create a well remediation prioritization process. The community recommendations are essential to ensuring that cleanup prioritization protects the most vulnerable communities and resources. In particular, commenters noted that the proposal neglected to include methane emissions in prioritization, now all too evidently an essential criterion. Additionally, by letter dated May 20, 2022, commenters presented multiple recommendations concerning CalGEM's discussion draft of well remediation cost estimation regulations. Accurate cost estimation is essential to the needed process of bringing bonding amounts in line with actual remediation costs, and implementation of the commenters' recommendations will help ensure such accuracy. We note, in addition, that CalGEM is behind on the statutory timeline for completing the cost estimation regulations – it is imperative that they be put in place as soon as possible.

- *CalGEM should increase its level of transparency with the legislature and the public concerning orphan well remediation.* Many observers have noted of late that CalGEM has, in general, become increasingly difficult to communicate with and obtain information from – whether the requestor is a member of the public or a lawmaker. While this problem is difficult to quantify, our well prioritization and cost estimation comments highlighted some specific examples. While we appreciate the efforts that CalGEM has made to implement and improve its WellSTAR database, it is also essential that the public have information concerning larger issues affecting CalGEM's institutional functioning and resources as they affect addressing orphan wells. This is particularly the case now that a substantial infusion of funds is about to be made

available, and must be spent in very short order. CalGEM should be affirmatively disclosing, to the public and the legislature, its plan to spend that money, and any needs it may have for new full-time employees (FTEs) to ensure that the funds are properly and expeditiously spent.

- *CalGEM should take all possible steps to ensure it has the staff needed to expend orphan well cleanup funds.* As noted above, CalGEM has thus far been remediating roughly 11 orphan wells per year; but more than 5,000 of them remain. There can be no question that the agency will need to deploy more personnel if it is to pick up the pace of remediation upon receipt of the funds – which it will need to do, as the IIJA funds must be spent within 90 days of receipt. The IIJA allows 10 percent of funds to be spent on administration, and CalGEM will clearly need to use that full amount to ramp up its remediation activities. To the extent allowed, CalGEM should also spend a portion of the California budget funds on hiring additional personnel. Finally, CalGEM should promptly fill any FTEs that have been previously authorized.

- *CalGEM should complete the statutorily mandated reports concerning idle and orphan wells that are now overdue.* CalGEM has missed deadlines to produce several reports that would provide essential information concerning idle and orphan wells. These include (i) the obligation under Public Resources Code § 3258 to report to the legislature by April 1, 2021 concerning "the number of hazardous wells, idle-deserted wells, deserted facilities, and hazardous facilities remaining, the estimated costs of abandoning and decommissioning those wells and facilities, and a timeline for future abandonment and decommissioning of those wells and facilities with a specific schedule of goals," and provide a supplemental report by April 1, 2022 identifying the location of these facilities (the reports have not been produced to date); (ii) the obligation under Public Resources Code § 3206.3 to produce an annual list of all idle wells and indication of which wells changed status over the course of the year (the last report was published in 2019); and (iii) the obligation under Public Resources Code § 3206.2 to initiate a study "of fugitive emissions from idle, idle-deserted, and abandoned wells in the state" (the study has not been produced to date). Regarding the latter study, CalGEM was required to post "results of testing" in connection by the study by January 1, 2022, and "a complete written document" by July 1, 2022, but neither deadline has been met (CalGEM merely reported in January that it was using drones to monitor methane, without publication of any results as required by § 3206.2).

We are aware that CalGEM's resources are not infinite, and that the response to these recommendations from the agency may well be that it lacks the personnel and bandwidth to implement them all. If such is the case, however, it underscores the need for more public transparency as to CalGEM's current limitations, and the funding and steps that would be needed to ensure that CalGEM is well positioned to expeditiously tackle the idle and orphan well crisis. It also highlights the need to stop approving new projects when CalGEM cannot effectively monitor existing ones. We ask your administration to take all needed steps to ensure that CalGEM is appropriately and efficiently spending the resources it has now and will soon receive for well remediation. And if it appears necessary, we urge you to take steps to implement more formal oversight over CalGEM and its operations.

II. Legislative Measures the Administration Should Support

In addition to the steps articulated above to address idle and orphan wells, which can be undertaken immediately using existing authority, we also ask you to put your administration's support behind legislative measures that will strengthen the state's ability to both address existing orphan wells and ensure that the problem does not keep growing. We recommend in particular your support and encouragement for the following legislative steps:

- *Appropriations associated with polluter pays and personnel hiring requirements.* We are not averse in principle to public money being spent initially to remediate orphan wells – we are facing a public health and climate crisis that requires expeditious action – but it is imperative that the money ultimately be paid back to the general fund by industry, since it is industry and not California taxpayers who have profited over the years from drilling. Hence, while some of our organizations support the $100 million allocation in this year's budget for orphan well remediation, we are all disappointed that these funds will come from taxpayers' pockets due to the lack of any terms to ensure industry reimbursement. We ask you to support legislation to raise the cap on CalGEM spending to remediate orphan wells pursuant to Public Resources Code § 3255, so that it matches the full amount of the appropriation, thereby rendering the spending reimbursable by industry via the statutory per-barrel fee. Additionally, we would ask you to support any legislative steps that may be necessary to ensure that CalGEM uses a portion of the funds to hire the personnel necessary to carry out orphan well remediation expeditiously.

- *Enhanced bonding authority.* As noted above, the cost of remediating orphan wells has far outpaced the available bonding to cover that cost – per CCST, the average per-well remediation cost being roughly $68,000 and the average available bonding amount being a little north of $1,000. This gap between need and coverage has emerged because the statutory bonding rates are inadequate – in particular due to the fact that well drillers can opt for "blanket bonds" pursuant to Public Resources Code § 3205 that do not come close to covering the actual likely remediation costs of the multiple wells held by these operators. While the enhanced bonding authority provided in § 3205.3 is helpful, it is capped at $30 million per operator, which is not sufficient to cover the full cost of remediating all wells held by large operators; and in any case needs to be made mandatory rather than discretionary for CalGEM to implement. Additionally, CalGEM should be authorized and required to demand bonding that matches remediation cost estimates any time a well is transferred to a new operator – to address the common situation where wells are passed off to less solvent operators as production declines, until they end up like the Bakersfield wells: leaking and owned by a functionally insolvent entity.

- *Strengthened and clarified CalGEM mandate to order plugging and abandonment.* As discussed above, an important tool in CalGEM's arsenal to prevent additional wells from becoming orphaned is its power to order plugging and abandonment of long-term idle wells. The trouble is, CalGEM currently makes very limited use of this authority; and the authority itself is somewhat confusing after years of statutory accretions. In various

places, the Public Resources Code allows CalGEM to order plugging and abandonment of a well idled for 25 years (§ 3237); allows such orders for wells idled 15 years when requested by a local government (§ 3206.5) or where any operator does not demonstrate viability or a return to production (§ 3206.1); and directs operators to phase out wells idled for 8 years or more at a rate of four to six percent per year (§ 3206). This pastiche of requirements needs to be reformulated into a clear and consistent deadline for remediating idle wells, that is mandatory on both CalGEM and operators. That deadline should reflect the actual risk timeline for leakage of harmful pollutants. 25 years and 15 year periods of idleness are unacceptably risky, and 8 years may turn out to be as well.

- *Phasing out oil production.* Again, last but not least, we encourage you to support legislation designed to systematically phase out the oil drilling industry in California. Ultimately, the best way to ensure that the declining oil industry does not abruptly leave a morass of unremediated wells in its wake is to manage that decline through a clear directive to phase out fossil fuels on an accelerated and defined time scale.

We recognize that this list of recommendations is lengthy and ambitious. But it is, in our view, fully proportional to the severity of the idle and orphan well problem. It is a dangerous situation that, left on its own, will inevitably grow much worse as California's oil industry continues to decline, and more and more wells are transferred to less and less viable operators. While we appreciate the seriousness reflected in this year's budget appropriation to address the problem, we must also be fully cognizant that increased funding will not, without more, be a solution.

We would very much like to meet with your staff in the near term to discuss how these recommendations can be implemented. Brandon Dawson and Jasmine Vazin of the Sierra Club (brandon.dawson@sierraclub.org, 830-309-1092, jasmine.vazin@sierraclub.org, 615-428-0897) can coordinate with your office on scheduling.

We look forward to working side by side with your administration to resolve the idle and orphan well challenge we collectively face, and ask that you include the communities most affected by this challenge as full partners in that effort.

Very truly yours,

Center for Biological Diversity
Center on Race, Poverty & the Environment
Central California Environmental Justice Network
Earthjustice
Natural Resources Defense Council
Sierra Club California
Voices in Solidarity Against Oil in Neighborhoods (VISIÓN)

1000 Grandmothers for Future Generations
350 Bay Area Action
350 Butte County
350 Conejo / San Fernando Valley
350 Corvallis
350 Humboldt
350 Sacramento
350 Silicon Valley
350 South Bay Los Angeles
350 Southland Legislative Alliance
350 Ventura County Climate Hub
5 Gyres Institute
Alameda County Interfaith Climate Action Network
Alliance of Nurses for Healthy Environments
Animals Are Sentient Beings Inc
Ballona Institute
Black Women for Wellness
CA Youth Vs Big Oil
California Democratic Party Environmental Caucus
Californians for Alternatives to Toxics
Center for Environmentally Recycled Building Alternatives (CERBAT)
Central Valley Air Quality Coalition
Citizens Climate Lobby, West Fresno Democrats
Clean Water Action
Climate 911
Climate First: Replacing Oil & Gas
Climate Hawks Vote
Climate Health Now
Communities for a Better Environment
Conejo Climate Coalition
Congregation Netivot Shalom, Climate Tzedek Committee
Consumer Watchdog
Corvallis Climate Action Alliance
Corvallis Interfaith Climate Justice Committee
Defend Ballona Wetlands
Earth Care Alliance, First Congregational Church of Sonoma, UCC
Ecology Center
Environmental Working Group
Esperanza Community Housing Corporation
Families Advocating for Chemical and Toxics Safety (FACTS)
Feminists in Action Los Angeles
Food & Water Watch
Fossil Free California
FracTracker Alliance
Fridays for Future Sacrametno
GeoPraxis
Glendale Environmental Coalition
Grassroots Coalition

Green Sanctuary Committee of UUCPA
Greenpeace USA
Heal the Bay
Health Justice Commons
Indivisible San Jose
Indivisible Ventura
Interfaith Climate Action Network of the Interfaith Council of Contra Costa County
LA Faith and Ecology Network (LAFEN)
LA Forward
Leadership Counsel for Justice and Accountability
Long Beach Alliance for Clean Energy
Los Padres ForestWatch
Marin Interfaith Climate Action
Mothers Out Front California
Mothers Out Front Silicon Valley
National Parks Conservation Association
North American Climate, Conservation, and Environment
Oil and Gas Action Network
Pacific Environment
Patagonia
Physicians for Social Responsibility - L.A.
Physicians for Social Responsibility/Sacramento
Planning and Conservation League
Protect Playa Now!
San Diego 350
San Francisco Bay Physicians for Social Responsibility
Santa Barbara County Action Network
Santa Barbara Standing Rock Coalition
Santa Cruz Climate Action Network
Save Our Shores
Silicon Valley Youth Climate Action
Sisters of Charity Federation
Sisters of Charity of Nazareth Congregational Leadership
SoCal 350 Climate Action
Stand.earth
Sunflower Alliance
Surfrider Foundation
Sustainable Mill Valley
The Climate Center
The Story of Stuff Project
Transition Sebastopol
United Native Americans
UPSTREAM
Urban Ore, Inc.
We Advocate Thorough Environmental Review
West Berkeley Alliance for Clean Air and Safe Jobs
Wild Horse Education


CENTER ON RACE, POVERTY & THE ENVIRONMENT
CRPE
CENTER for BIOLOGICAL DIVERSITY
NRDC
LOS ANGELES FAITH & ECOLOGY NETWORK
FRACTRACKER ALLIANCE
EARTHJUSTICE
BECAUSE THE EARTH NEEDS A GOOD LAWYER
CVAQ
CCEJN
CENTRAL CALIFORNIA ENVIRONMENTAL JUSTICE NETWORK
1000 Grandmothers for Future Generations
SIERRA CLUB CALIFORNIA
#CAYouthVsBigOil
VISIÓN
VOICES IN SOLIDARITY AGAINST OIL IN NEIGHBORHOODS
GREENPEACE
HEALTHY PLANET HEALTHY PEOPLE
350 Butte County
Alameda County Interfaith Climate Action Network
CLIMATE FIRST: REPLACING OIL & GAS
CFROG
INDIVISIBLE SAN JOSE
Faith and Non faith communities
Environmental Justice partners
Industry
Elected Representatives
Refineries
Interfaith Climate Action Network Contra Costa County
MOTHERS OUT FRONT California
West Berkeley Alliance for Clean Air and Safe Jobs
Californians for Alternatives to Toxics
BLACK WOMEN FOR WELLNESS
350 SILICON VALLEY
CA DEM ENVIRONMENTAL CAUCUS
Citizens' Climate Lobby Fresno
CLIMATE HEALTH NOW
We Advocate Thorough Environmental Review W.A.T.E.R.
350 SOUTHLAND LEGISLATIVE ALLIANCE
CONEJO CLIMATE COALITION
CLIMATE HAWKS VOTE
Consumer Watchdog
the climate center
350 Conejo San Fernando Valley
FOSSIL FREE CALIFORNIA
Healthy People
Healthy Planet
Climate 911
GRASSROOTS COALITION
Environmental Integrity & Public Policy
Know your Environment. Protect your Health. ewg
FACTS
Families Advocating for Chemical & Toxics Safety
CLEAN WATER ACTION
NATIONAL PARKS CONSERVATION ASSOCIATION
EST 1919
UNITED NATIVE AMERICANS
SINCE 1968
FRIDAYS FOR FUTURE SACRAMENTO
COMMUNITIES FOR A BETTER ENVIRONMENT
established 1978
fia
Feminists In Action
Glendale Environmental Coalition
350BayArea ACTION
INDIVISIBLE VENTURA
HEALTH JUSTICE COMMONS
PSR
SF BAY CHAPTER
LEADERSHIP COUNSEL FOR JUSTICE & ACCOUNTABILITY
HOWLING FOR WOLVES
FOOD & WATER WATCH
Heal the Bay
LA FORWARD
OIL & GAS Action Network
SB CAN
SANTA BARBARA COUNTY ACTION NETWORK
LOS PADRES FORESTWATCH
GeoPraxis
350 Corvallis
BALLONA INSTITUTE
restoration, research, education, artistic expression
patagonia
350 VENTURA COUNTY CLIMATE HUB
Santa Cruz Climate Action Network
350 HUMBOLDT
Grassroots Climate Action
Green Sanctuary
Unitarian Universalist Church of Palo Alto
LONG BEACH ALLIANCE FOR CLEAN ENERGY
5 GYRES
SCIENCE TO SOLUTIONS
SOUTH BAY 350 LOS ANGELES
PSR LA
Physicians for Social Responsibility Los Angeles
Sisters of Charity Federation
SOCAL 350 CLIMATE ACTION
PACIFIC ENVIRONMENT
DEFEND BALLONA WETLANDS
PROTECT PLAYA NOW!
PSR Sacramento Chapter
Alliance of Nurses for Healthy Environments
SURFRIDER FOUNDATION
SUNFLOWER ALLIANCE
SAN DIEGO 350 CLIMATE CHANGE ACTION
SAVE OUR SHORES
STAND .earth
ecology center
Sisters of Charity OF NAZARETH
SAN DIEGO 350 CLIMATE ACTION
Sonoma Valley EARTH CARE ALLIANCE
SILICON VALLEY YOUTH CLIMATE ACTION


THE STORY OF
STUFF
PROJECT


transition sebastopol
building community resilience


350
sacramento


Santa Barbara
Standing Rock
Coalition


URBAN
RE
To End the Age of Waste


Marin Interfaith Climate Action
A Sponsored Project of Marin Interfaith Council


Upstream


SUSTAINABLE
MILL VALLEY


WILD HORSE EDUCATION
WHE


cerbat
center for environmentally recycled building alternatives
Building Sustainable Communities


Esperanza
COMMUNITY HOUSING