AB 2716 – *Oil and gas: low-production wells: sensitive receptors*

Author: Assemblymember Isaac Bryan, AD 55

SUMMARY

Assembly Bill 2716 establishes a two-year limit on low-production wells, defined as those wells producing 15 barrels of oil per day or less, and creates a daily administrative penalty on any well that violates that limit.

BACKGROUND

California has goals to achieve carbon neutrality by 2045, and that includes phasing out fossil fuels and requiring all new cars to be zero-emission by 2035.

The Division of Geologic Energy Management (CalGEM) regulates all oil and gas wells on public and private land. Well operators must obtain permits for a variety of activities, including drilling, reworking, and permanently sealing and closing wells.

CalGEM currently has jurisdiction over more than 242,000 wells, including nearly 101,300 defined as active or idle oil producers. California's oil industry has been in decline over the past several decades due to a decline in resources.

Approximately 83% of those wells are colloquially known as "stripper wells" – wells that produce fewer than 15 barrels of oil per day.

PROBLEM

Close proximity to oil and gas development can cause significant adverse health effects, including poor birth outcomes, asthma, and other respiratory illnesses. Hazardous air pollutants that are known to be emitted from oil and gas development sites include benzene, toluene, ethylbenzene, xylenes, hexane and formaldehyde – many of which are known, probable, or possible carcinogens and that have other adverse health effects.

It's estimated that 2.7 million Californians live within 3,200 feet of an oil well. These individuals experience higher concentrations of health-damaging air pollutants and measurably higher exposure to noise and vibration.

While the oil industry asserts that producers have a long history of operating low-production wells at a profit for prolonged time periods due to the efficiency of oil operations in this state, the reality is that the cost to plug & abandon (permanently seal) a well can cost upwards of $100,000 per well, likely making it more cost effective to maintain a low-production well.

SOLUTION

AB 2716 will prohibit wells located within the 3,200 setback zone from being low-producing wells for more than two years, and creates a daily penalty for a violation of that prohibition.

FOR MORE INFORMATION
Kenneth Cruz | Legislative Director Office of Assemblymember Isaac Bryan
(916) 319-2055 Kenneth.Cruz@asm.ca.gov