



February 19, 2021

Senator Melissa Hurtado  
State Capitol, Room 3070  
Sacramento, CA 95814

**Re: SB 84 (Hurtado) Oil and Gas Wells – OPPOSE**

Dear Senator Hurtado:

The undersigned organizations write to respectfully oppose Senate Bill 84 (“SB 84”). This bill would require the California Geologic Energy Management Division (“CalGEM”) to undertake “reasonable efforts” to recover costs related to plugging and abandoning oil and gas wells and decommissioning attendant facilities from the current operator before seeking these costs from the preceding operator.

Current law already provides CalGEM with a clear-cut process for recovering plugging, abandonment, and decommissioning costs from previous operators:

If the supervisor determines that the current operator does not have the financial resources to fully cover the cost of plugging and abandoning the well or the decommissioning of deserted production facilities, the immediately preceding operator shall be responsible for the cost of plugging and abandoning the well or the decommissioning of deserted production facilities.<sup>1</sup>

SB 84 heedlessly complicates this established procedure by adding section 3237(c)(6), which requires: “[t]he supervisor shall *make reasonable efforts* to cover the cost of plugging and abandoning the well or decommissioning deserted production facilities from the current operator before seeking to cover the cost...from a previous operator.” (emphasis added)

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<sup>1</sup> Public Resources Code, section 3237(c)(1).

Yet, SB 84 does not identify or explain what is meant by “reasonable efforts.” This language is both unnecessary and problematic because it will delay CalGEM’s cost recovery process and make it more difficult for the agency to hold solvent fossil fuel companies responsible for remediating wells that they previously operated.

This is especially concerning since California has almost 70,000 high risk idle wells and over 5,500 wells that are already orphaned or are at high risk of becoming orphan wells in the near future.<sup>2</sup> The potential liability to the state for just the 5,500 was estimated to be \$554 million. We need to ensure that CalGEM has a smooth process for recovering costs from prior operators.<sup>3</sup>

Therefore, our organizations are opposed to SB 84. We respectfully urge you to focus the legislation on bolstering reporting requirements and criteria for idle and orphan wells and remove any provisions that could interfere with CalGEM’s existing authority to recover costs.

Sincerely,

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Policy Advocate  
**Sierra Club California**

Kathy Dervin  
Co-Chair, Legislative Committee  
**350 Bay Area Action**

Brian Nowicki  
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Linda Hutchins-Knowles  
California Senior Organizer  
**Mothers Out Front**

Caroline Henderson  
Senior Climate Campaigner  
**Greenpeace**

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<sup>2</sup> California Council on Science & Technology (2018). *Orphan Wells in California: An Initial Assessment of the State’s Potential Liabilities to Plug and Decommission Orphan Oil and Gas Wells* at 28.

<https://ccst.us/wp-content/uploads/CCST-Orphan-Wells-in-California-An-Initial-Assessment.pdf>.

<sup>3</sup> *Ibid.*

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Cc: Senate Natural Resources and Water Committee