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.¹

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)

¹ 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.2 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.3

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,

Lauren Cullum
Policy Advocate
Sierra Club California

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

Brian Nowicki
California Climate Policy Director
Center for Biological Diversity

Bill Allayaud
California Director of Government Affairs
Environmental Working Group

Linda Hutchins-Knowles
California Senior Organizer
Mothers Out Front

Caroline Henderson
Senior Climate Campaigner
Greenpeace

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3 Ibid.
Juan Altamirano  
Associate Director of Policy  
**Audubon California**

Omonigho Oiyemhonlan  
Associate Attorney  
**Earthjustice**

Barbara Rhine  
Coordinating Committee & Chair of Legislative Working Group  
**1000 Grandmothers for Future Generations**

Woody Hastings  
Energy Program Manager  
**The Climate Center**

Cc: Senate Natural Resources and Water Committee