An act to amend Sections 8670.28 and 8670.37.51 of, and to add Section 51014.1 to, the Government Code, and to amend Section 30262 of, to add Section 3162 to, to add and repeal Sections 21080.80 and 21080.81 of, and to repeal and add Section 3238 of, the Public Resources Code, relating to oil and gas.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 8670.28 of the Government Code is amended to read:

8670.28. (a) The administrator, taking into consideration the facility or vessel contingency plan requirements of the State Lands Commission, the Office of the State Fire Marshal, the California Coastal Commission, and other state and federal agencies, shall adopt and implement regulations governing the adequacy of oil spill contingency plans to be prepared and implemented under this article. All regulations shall be developed in consultation with the Oil Spill Technical Advisory Committee, and shall be consistent with the California oil spill contingency plan and not in conflict with the National Contingency Plan. The regulations shall provide for the best achievable protection of the waters and natural resources of the state. The regulations shall permit the development, application, and use of an oil spill contingency plan for similar vessels, pipelines, terminals, and facilities within a single company or organization, and across companies and organizations. The regulations shall, at a minimum, ensure all of the following:

(1) All areas of state waters are at all times protected by prevention, response, containment, and cleanup equipment and operations.

(2) Standards set for response, containment, and cleanup equipment and operations are maintained and regularly improved to protect the resources of the state.

(3) All appropriate personnel employed by operators required to have a contingency plan receive training in oil spill response and cleanup equipment usage and operations.

(4) Each oil spill contingency plan provides for appropriate financial or contractual arrangements for all necessary equipment and services for the response, containment, and cleanup of a reasonable worst case oil spill scenario for each area the plan addresses.

(5) Each oil spill contingency plan demonstrates that all protection measures are being taken to reduce the possibility of an oil spill occurring as a result of the operation of the facility or vessel. The protection measures shall include, but not be limited to, response to disabled vessels and identification of those measures taken to comply with requirements of Division 7.8 (commencing with Section 8750) of the Public Resources Code.

(6) Each oil spill contingency plan identifies the types of equipment that can be used, the location of the equipment, and the time taken to deliver the equipment.

(7) Each facility, as determined by the administrator, conducts a hazard and operability study to identify the hazards associated with the operation of the facility, including the use of the facility by vessels, due to operating error, equipment failure, and external events. For the hazards identified in the hazard and operability studies, the facility shall conduct an offsite consequence analysis that, for the most likely hazards, assumes pessimistic water and air dispersion and other adverse environmental conditions.

(8) Each oil spill contingency plan contains a list of contacts to call in the event of a drill, threatened discharge of oil, or discharge of oil.

(9) Each oil spill contingency plan identifies the measures to be taken to protect the recreational and environmentally sensitive areas that would be threatened by a reasonable worst case oil spill scenario.

(10) (A) Standards for determining a reasonable worst case oil spill. ~~However, for~~

(B) Commencing January 15, 2027, and at least once every 10 years thereafter, in order to increase public participation, the administrator shall solicit public input regarding the appropriateness of the reasonable worst case spill volumes for facilities. Based on this feedback, the administrator shall review and, as appropriate, revise the criteria and formulas for calculating reasonable worst case spill volumes to reflect the best available information. If revisions are appropriate, the administrator shall initiate a rulemaking action pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3), which includes a public notice and comment process.

(C) Notwithstanding subparagraphs (A) and (B), for a nontank vessel, the reasonable worst case is a spill of the total volume of the largest fuel tank on the nontank vessel.

(11) Each oil spill contingency plan specifies an agent for service of process. The agent shall be located in this state.

(b) The regulations and guidelines adopted pursuant to this section shall also include provisions to provide for public review and comment on submitted oil spill contingency plans.

(c) The regulations adopted pursuant to this section shall specifically address the types of equipment that will be necessary, the maximum time that will be allowed for deployment, the maximum distance to cooperating response entities, the amounts of dispersant, and the maximum time required for application should the use of dispersants be approved. Upon a determination by the administrator that booming is appropriate at the site and necessary to provide best achievable protection, the regulations shall require that vessels engaged in lightering operations be boomed prior to the commencement of operations.

(d) The administrator shall adopt regulations and guidelines for oil spill contingency plans with regard to mobile transfer units, small marine fueling facilities, and vessels carrying oil as secondary cargo that acknowledge the reduced risk of damage from oil spills from those units, facilities, and vessels while maintaining the best achievable protection for the public health and safety and the environment.

SEC. 2. Section 8670.37.51 of the Government Code is amended to read:

8670.37.51. (a) A tank vessel or vessel carrying oil as a secondary cargo shall not be used to transport oil across waters of the state unless the owner or operator has applied for and obtained a certificate of financial responsibility issued by the administrator for that vessel or for the owner of all of the oil contained in and to be transferred to or from that vessel.

(b) An operator of a marine terminal within the state shall not transfer oil to or from a tank vessel or vessel carrying oil as a secondary cargo unless the operator of the marine terminal has received a copy of a certificate of financial responsibility issued by the administrator for the operator of that vessel or for all of the oil contained in and to be transferred to or from that vessel.

(c) An operator of a marine terminal within the state shall not transfer oil to or from any vessel that is or is intended to be used for transporting oil as cargo to or from a second vessel unless the operator of the marine terminal has first received a copy of a certificate of financial responsibility issued by the administrator for the person

responsible for both the first and second vessels or all of the oil contained in both vessels, as well as all the oil to be transferred to or from both vessels.

(d) (1) An owner or operator of a facility where a spill could impact waters of the state shall apply for and obtain a certificate of financial responsibility issued by the administrator for the facility or the oil to be handled, stored, or transported by the facility.

(2) The administrator shall publicly post on the Office of Spill Prevention and Response internet website a list of all applications for certificates of financial responsibility submitted by facility owners and operators. The posting shall include the legal name of the applicant, the name and reasonable worst case spill volume of the facility to be covered by the certificate, the amount of financial responsibility demonstrated, and the type of evidence furnished to demonstrate the financial responsibility. The administrator shall post this information within seven business days of receiving an application.

(3) Commencing January 15, 2027, and at least once every 10 years thereafter, in order to increase public participation, the administrator shall solicit public input regarding the appropriateness of the financial responsibility requirements for facilities. Based on this feedback, the administrator shall review and, as appropriate, revise the criteria and formulas for calculating the financial assurances necessary to respond to an oil spill to reflect the best available information, pursuant to the rulemaking requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3), which includes a public notice and comment process.

(e) Pursuant to Section 8670.37.58, nontank vessels shall obtain a certificate of financial responsibility.

SEC. 3. Section 51014.1 is added to the Government Code, to read:

51014.1. (a) Any existing oil pipeline that is six inches or larger that has been idle, inactive, or out of service for five years or more, shall not be restarted without passing a spike hydrostatic testing program.

(b) The hydrostatic spike test shall be at least 1.39 times the maximum operating pressure of the pipeline and shall not exceed 80 percent of the specific minimum yield strength, as determined appropriate by the State Fire Marshal.

(c) The hydrostatic spike test shall be no more than 15 minutes, and be immediately followed by a hydrostatic test, which shall be held for a minimum of eight hours and meet the requirements of the State Fire Marshal.

(d) All tests shall be performed by a qualified testing company that is compliant with this chapter, as determined by the State Fire Marshal.

(e) The Office of the State Fire Marshal shall promulgate regulations as necessary to implement this section.

SEC. 4. Section 3162 is added to the Public Resources Code, immediately following Section 3161, to read:

3162. (a) The Legislature finds and declares all of the following:

(1) In response to widespread public concern about hydraulic fracturing and other well stimulation treatment (WST) practices employed to facilitate oil and gas production, including hydraulic fracturing and acid well stimulation treatments, the Legislature, in 2013, enacted Senate Bill No. 4 (Chapter 313 of the Statutes of 2013),

which codified Sections 3150 to 3161, inclusive, to impose a wide range of new standards and requirements applicable to WST operations.

(2) Senate Bill 4 granted broad discretion to the supervisor to decide whether to issue WST permits even when a permit application met all statutory eligibility requirements, as granted by subparagraph (A) of paragraph (3) of subdivision (d) of Section 3160, such that no operator has ever had any entitlement to a WST permit.

(3) Exercising that discretion, some previous supervisors have issued large numbers of WST permits, and others have denied many permits. Most recently, the supervisor has not issued a WST permit since February 2021, and in October 2024, the division finalized a regulation to permanently stop issuing WST permits in light of the division's conclusion that ceasing well stimulation treatments would help prevent damage to life, health, property, and natural resources, and protect public health and safety, including the reduction and mitigation of greenhouse gas emissions, consistent with the Legislature's direction in Sections 3011 and 3106.

(4) The Legislature endorses and ratifies the supervisor and the division's decisions in recent years to halt WST permitting, and the Legislature seeks to make those changes to WST permitting permanent, to protect health, safety, and the environment on an ongoing basis.

(5) The Legislature therefore intends to bar the issuance of WST permits, retroactive to March 2021.

(b) Notwithstanding Section 3160 and regulations adopted pursuant to this article, on and after March 1, 2021, a well stimulation treatment permit application shall not be granted, except as provided in subdivision (c).

(c) If a court finds that denial of a well stimulation treatment permit application would amount to a taking of property, and that ruling is upheld if any appeals are taken, then the supervisor shall grant the permit application to prevent that taking, provided that the supervisor determines that the application otherwise complies with all requirements of this article.

(d) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 5. Section 3238 of the Public Resources Code is repealed.

~~3238. (a) For oil and gas produced in this state from a well that qualifies under Section 3251 or that has been inactive for a period of at least the preceding five consecutive years, the rate of the charges imposed pursuant to Sections 3402 and 3403 shall be reduced to zero for a period of 10 years. The supervisor or district deputy shall not permit an operator to undertake any work on wells qualifying under Section 3251 unless the mineral rights owner consents, in writing, to the work plan.~~

~~(b) An operator who undertakes any work on a well qualifying under Section 3251 shall have up to 90 days from the date the operator receives written consent from the supervisor to evaluate the well. On or before the 90 day evaluation period ends, the operator shall file with the supervisor a bond or security in an amount specified in Section 3204, 3205, or 3205.1, in accordance with the requirements of whichever of those sections is applicable to the well, if the well operations are to continue for a period in excess of the 90-day evaluation period. The conditions of the bond shall be the same as the conditions stated in Section 3204.~~

~~(c) A party may plug and abandon a well that qualifies under Section 3251 by obtaining all necessary rights to the well. That party shall be subject to the requirements of this chapter as an operator of the well, file with the supervisor the appropriate bond or security in an amount specified in Section 3204, 3205, or 3205.1, and complete the abandonment. If the abandonment is not completed, the supervisor may act under Section 3226 to complete the work.~~

SEC. 6. Section 3238 is added to the Public Resources Code, to read:

3238. (a) A person who has acquired the rights to a well or production facility for the sole purpose of plugging and abandoning that well or decommissioning the production facility is not subject to any of the requirements of Section 3205.8, but shall file a bond as required under Section 3204, 3205, 3205.1, or 3205.2. That person shall be subject to the requirements of this chapter as an operator of the well or production facility, until such time as the well has been properly plugged and abandoned and the production facilities have been decommissioned in accordance with Section 3208 or the person has conducted work in accordance with the approvals given by the supervisor under Section 3229 and the supervisor has since determined it is not practical to perform additional work.

(b) Notwithstanding subdivision (a), a person who was responsible, under Section 3226 or 3237, as an owner or operator of the well or production facility before an acquisition described under subdivision (a), shall remain responsible for the well or production facility.

(c) Use of a well or production facility acquired under this section for purposes of oil or gas production or injection is prohibited.

SEC. 7. Section 21080.80 is added to the Public Resources Code, to read:

21080.80. (a) This division shall not apply to the approval by the Geologic Energy Management Division of a notice of intention under Section 3203 to commence drilling a new well, to the extent this division would otherwise apply, if all of the following requirements are met:

(1) Approval of the notice of intention is not part of a project for which there is already a certified, complete, and valid environmental impact report or an adopted, complete, and valid negative declaration or mitigated negative declaration.

(2) The wellhead for the new well to be drilled is located within an established oil and gas field, as identified by the Geologic Energy Management Division.

(3) The wellhead for the new well to be drilled is not located within a health protection zone, as defined in subdivision (b) of Section 3280.

(4) Activities approved under the notice of intention for a new well will not require an individual take permit for species protected under the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.) or the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code).

(5) Activities approved under the notice of intention for a new well will not require a streambed alteration permit pursuant to Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code.

(6) The wellhead location for the new well to be drilled has no cultural or historic resources present, as determined by a qualified archeologist based on a pedestrian ground surface survey demonstrating no cultural or historic resources are present at the site.

(7) (A) Before the new well is drilled, two other wells, as defined in Section 3008, shall be plugged and abandoned.

(i) One of the wells to be plugged and abandoned shall have a wellhead located in the same oil and gas field as the new well, as determined by the Geologic Energy Management Division.

(ii) The other well to be plugged and abandoned shall have a wellhead located in a health protection zone, as defined in subdivision (b) of Section 3280.

(iii) A well that has already been identified in any idle well elimination plan described in Section 3206 shall not count for the plugging and abandonment required pursuant to this paragraph. A well plugged and abandoned under the requirements of this paragraph shall not subsequently count for compliance with an idle well elimination plan described in Section 3206.

(B) The notice of intention submitted for the replacement well shall identify the two wells that have been plugged and abandoned in accordance with Section 3208 and that satisfy the conditions in subparagraph (A). Plugging and abandonment of both wells shall be completed after January 1, 2026, and before commencement of work under the notice of intention for the new well.

(b) This section shall remain in effect only until January 1, 2036, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2036, deletes or extends that date.

SEC. 8. Section 21080.81 is added to the Public Resources Code, to read:

21080.81. (a) The Kern County Second Supplemental Recirculated Environmental Impact Report (SCH2013081079), including all appendices (SSREIR March 2025) is hereby deemed sufficient for full compliance with this division for purposes of consideration and adoption of amended Revisions to Title 19 - Kern County Zoning Ordinance Code 2025 (A), Focused on Oil and Gas Local Permitting by the County of Kern. No further environmental review is required under this division for the consideration and adoption of the Revisions to Title 19 - Kern County Zoning Ordinance Code - 2025 (A), Focused on Oil and Gas Local Permitting (SSREIR March 2025), as enacted as of January 1, 2026. Corrections of minor typographical errors and formatting changes to the Zoning Ordinance version shall not require further environmental review.

(b) Projects that satisfy the requirements of Revisions to Title 19 - Kern County Zoning Ordinance Code - 2025 (A), Focused on Oil and Gas Local Permitting, and that are approved by the County of Kern under that ordinance as enacted as of the effective date of this section, or as reenacted to incorporate corrections of minor typographical errors or formatting changes, are deemed sufficient for full compliance with this division and no further environmental review is required under this division.

(c) This section applies prospectively to any approvals by the County of Kern with respect to the permitting of oil and gas production operations under any adopted local ordinance and associated development and also applies prospectively and retroactively to any causes of action and claims that are pending as of January 1, 2026, and for which no final nonappealable judgment has been entered before that date.

(d) Notwithstanding Section 21166, the Legislature’s determination in this section that the Kern County Second Supplemental Recirculated Environmental Impact Report (SCH2013081079), including all appendices (SSREIR March 2025), is sufficient for full compliance with this division and shall be final and conclusive for purposes of

reliance on that report for its use by any responsible agencies. Reliance on use of that report by any responsible agency shall fully satisfy the responsible agency's obligations under this division and shall not be subject to challenge pursuant to Section 21166.

(e) This section shall remain in effect only until January 1, 2036, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2036, deletes or extends that date.

SEC. 9. Section 30262 of the Public Resources Code is amended to read:

30262. (a) New or expanded oil and gas development shall not be considered a coastal-dependent industrial facility for the purposes of Section 30260, and may be permitted only if found to be consistent with all applicable provisions of this division and if all of the following conditions are met:

(1) The development is performed safely and consistent with the geologic conditions of the well site.

(2) Activities related to that development are consolidated, to the maximum extent feasible and legally permissible, unless consolidation will have adverse environmental consequences and will not significantly reduce the number of producing wells, support facilities, or sites required to produce the reservoir economically and with minimal environmental impacts.

(3) The development will not cause or contribute to subsidence hazards unless it is determined that adequate measures will be undertaken to prevent damage from that subsidence.

(4) All oilfield brines are reinjected into oil-producing zones unless the Geologic Energy Management Division of the Department of Conservation determines to do so would adversely affect production of the reservoirs and unless injection into other subsurface zones will reduce environmental risks. Exceptions to reinjections will be granted consistent with the California Ocean Plan of the State Water Resources Control Board and where adequate provision is made for the elimination of petroleum odors and water quality problems.

(5) (A) All oil produced offshore California shall be transported onshore by pipeline only. The pipelines used to transport this oil shall ~~utilize~~ use the best achievable technology to ensure maximum protection of public health and safety and of the integrity and productivity of terrestrial and marine ecosystems.

(B) Once oil produced offshore California is onshore, it shall be transported to processing and refining facilities by ~~pipeline.~~ pipeline that uses the best available technology pursuant to Section 51013.1 of the Government Code.

(C) The following guidelines shall be used when applying subparagraphs (A) and (B):

(i) "Best achievable technology," means the technology that provides the greatest degree of protection taking into consideration both of the following:

(I) Processes that are being developed, or could feasibly be developed, anywhere in the world, given overall reasonable expenditures on research and development.

(II) Processes that are currently in use anywhere in the world. This clause is not intended to create any conflicting or duplicative regulation of pipelines, including those governing the transportation of oil produced from onshore reserves.

(ii) "Oil" refers to crude oil before it is refined into products, including gasoline, bunker fuel, lubricants, and asphalt. Crude oil that is upgraded in quality through residue

reduction or other means shall be transported as provided in subparagraphs (A) and (B).

(iii) Subparagraphs (A) and (B) shall apply only to new or expanded oil extraction operations. "New extraction operations" means production of offshore oil from leases that did not exist or had never produced oil, as of January 1, 2003, or from platforms, drilling islands, subsea completions, or onshore drilling sites, that did not exist as of January 1, 2003. "Expanded oil extraction" means an increase in the geographic extent of existing leases or units, including lease boundary adjustments, ~~or~~ an increase in the number of well heads, reactivation of a facility idled, inactive, or out of service for more than three years, or an increase in oil extraction from the use of hydraulic fracturing, extended reach drilling, acidization, or other unconventional technologies, on or after January 1, 2003.

~~(iv) For new or expanded oil extraction operations subject to clause (iii), if the crude oil is so highly viscous that pipelining is determined to be an infeasible mode of transportation, or where there is no feasible access to a pipeline, shipment of crude oil may be permitted over land by other modes of transportation, including trains or trucks, which meet all applicable rules and regulations, excluding any waterborne mode of transport.~~

(6) If a state of emergency is declared by the Governor for an emergency that disrupts the transportation of oil by pipeline, oil may be transported by a waterborne vessel, if authorized by permit, in the same manner as required by emergency permits that are issued pursuant to Section 30624.

(7) In addition to all other measures that will maximize the protection of marine habitat and environmental quality, when an offshore well is abandoned, the best achievable technology shall be used.

(b) ~~Repair~~ (1) Repair, reactivation, and maintenance of an existing oil and gas facility may be permitted in accordance with Section 30260 only if it does not result in expansion of capacity of the oil and gas facility, and if all applicable conditions of subdivision (a) are met.

(2) Development associated with the repair, reactivation, or maintenance of an oil pipeline that has been idled, inactive, or out of service for three years or more shall require a new coastal development permit consistent with this section.

(3) The commission or local government with a certified local coastal program shall review and approve, modify, condition, or deny the permit based on the requirements of this section.

(c) Where appropriate, monitoring programs to record land surface and near-shore ocean floor movements shall be initiated in locations of new large-scale fluid extraction on land or near shore before operations begin and shall continue until surface conditions have stabilized. Costs of monitoring and mitigation programs shall be borne by liquid and gas extraction operators.

(d) ~~Nothing in this~~ This section shall not affect the activities of any state agency that is responsible for regulating the extraction, production, or transport of oil and gas.

SEC. 10. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the particular established history of oil and gas development in the County of Kern and the efforts Kern County has

made to ensure adequate environmental review and mitigation of its program for oil and gas development.

SEC. 11. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Oil spill prevention: well stimulation treatment prohibition: California Environmental Quality Act: exemptions: coastal resources.

(1) The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act generally requires the administrator for oil spill response, acting at the direction of the Governor, to implement activities relating to oil spill response, including emergency drills and preparedness, and oil spill containment and cleanup, and to represent the state in any coordinated response efforts with the federal government. Existing law requires the Governor to establish a California oil spill contingency plan that provides for an integrated and effective state procedure to combat the results of major oil spills within the state and that specifies state agencies to implement the plan. Existing law requires the administrator to adopt and implement regulations governing the adequacy of oil spill contingency plans to be prepared and implemented and requires the regulations to provide for the best achievable protection of coastal and marine waters. Existing law requires these regulations to permit the development, application, and use of an oil spill contingency plan for similar vessels, pipelines, terminals, and facilities within a single company or organization, and across companies and organizations. Existing law requires these regulations to ensure, among other things, standards for determining a reasonable worst case oil spill.

This bill would, commencing January 15, 2027, and at least once every 10 years thereafter, require the administrator to solicit public input regarding the appropriateness of the reasonable worst case spill volumes for facilities and, based on this feedback, review and, as appropriate, revise the criteria and formulas for calculating reasonable worst case spill volumes to reflect the best available information, as provided.

Under the act, the owner or operator of a facility where a spill could impact waters of the state shall apply for and obtain a certificate of financial responsibility issued by the administrator for the facility or the oil to be handled, stored, or transported by the facility.

This bill would require the administrator to publicly post a list of all applications for certificates of financial responsibility submitted by facility owners and operators on the internet website of the Office of Spill Prevention and Response. The bill would require the posting to include specified information about applicants, including reasonable worst case spill volume of the facility to be covered by the certificate and the amount of financial responsibility demonstrated. The bill would require the administrator to post this information within 7 business days of receiving an application. The bill would, commencing January 15, 2027, and at least once every 10 years thereafter, require the administrator to solicit public input regarding the appropriateness of the financial responsibility requirements for facilities and, based on this feedback, review and, as appropriate, revise the criteria and formulas for calculating the financial

assurances necessary to respond to an oil spill to reflect the best available information, as provided.

(2) The Elder California Pipeline Safety Act of 1981 requires the State Fire Marshal to administer provisions regulating the inspection of intrastate pipelines used for the transportation of hazardous liquid. A violation of the act is a crime.

This bill would prohibit the restarting of an existing oil pipeline that is 6 inches or larger that has been idle, inactive, or out of service for 5 years or more without passing a spike hydrostatic testing program that meets the requirements established by the State Fire Marshal, as provided. By expanding the scope of a crime, the bill would impose a state-mandated local program. The bill would require these tests to be performed by a qualified testing company, as provided. The bill would require the Office of the State Fire Marshal to promulgate regulations as necessary to implement these provisions.

(3) Existing law establishes the Geologic Energy Management Division in the Department of Conservation, under the direction of the State Oil and Gas Supervisor, who is required to supervise the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities related to oil and gas production within an oil and gas field, so as to prevent damage to life, health, property, and natural resources. Existing law requires the division, in consultation with specified state and local entities, to adopt rules and regulations specific to well stimulation treatments by January 1, 2015, to become effective on July 1, 2015. Existing law authorizes the State Oil and Gas Supervisor or district deputy to approve completed permit applications for well stimulation treatments, and prohibits the approval of incomplete applications, as provided.

This bill would, retroactive to March 1, 2021, prohibit the granting of well stimulation treatment permit applications, except if a court finds that denial of a well stimulation treatment permit application would amount to a taking of property. The bill would require the supervisor to grant the permit application to prevent that taking, provided that the supervisor determines that the application otherwise complies with the applicable requirements for well stimulation treatment.

(4) Existing law requires a person who acquires the right to operate a well or production facility, whether by purchase, transfer, assignment, conveyance, exchange, or other disposition, except a well as specified, to file with the supervisor an individual indemnity bond for the well or production facility, or a blanket indemnity bond for multiple wells or production facilities, in an amount determined by the supervisor to be sufficient to cover, in full, all costs of plugging and abandonment, decommissioning of the facility, and site restoration, as provided.

Existing law authorizes a party to plug and abandon a well that the supervisor has determined to be either a hazardous or idle-deserted well by obtaining all necessary rights to the well, and requires that party to be subject to certain requirements applicable to an operator of a well, file with the supervisor the appropriate bond or deposit, and complete the abandonment, as specified. Existing law prohibits the supervisor or district deputy from permitting an operator to undertake any work on those hazardous or idle-deserted wells without the written consent of the mineral rights owner. Existing law requires the imposition of annual charges on a person operating an oil or gas well in this state, as provided, and requires these rates of charges to be reduced to zero for a period of 10 years for oil and gas produced from a hazardous or idle-deserted well

or wells that have been inactive for a period of at least the preceding 5 years, as provided. Under existing law, violations of these provisions and other requirements relating to the regulation of oil or gas operations constitute a crime.

This bill would, among other things, repeal the above-described rate reduction and prohibition on the permitting of an operator to undertake any work on hazardous or idle-deserted wells without the written consent of the mineral rights owner, as provided. The bill would exempt from the above-described individual indemnity bond or blanket bond requirement a person who has acquired the rights to a well or production facility for the sole purpose of plugging and abandoning that well or decommissioning the production facility, and would revise and recast the other bond requirements and requirements applicable to well operators to which the person is subject, as provided. By expanding the scope of a crime, the bill would impose a state-mandated local program.

(5) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would, until January 1, 2036, exempt from CEQA a notice of intention to commence drilling a new well if specified requirements are met, including that the approval of the notice of intention is not part of a project for which there is already a certified, complete, and valid environmental impact report or an adopted, complete, and valid negative declaration or mitigated negative declaration.

This bill would, among other things, deem a specified County of Kern environmental impact report sufficient for full compliance with the requirements of CEQA for purposes of consideration and adoption of amended revisions to a specified County of Kern zoning ordinance, as provided. The bill would establish that projects that satisfy the requirements of that zoning ordinance and that are approved by the County of Kern under that ordinance are deemed sufficient for full compliance with CEQA and no further environmental review shall be required pursuant to CEQA. This bill would prospectively apply these provisions concerning CEQA compliance to any approvals by the County of Kern with respect to the permitting of oil and gas production operations under any adopted local ordinance and associated development. The bill would also apply these provision prospectively and retroactively to any pending causes of action and claims for which no final nonappealable judgment has been entered, as provided. The bill would repeal these provisions on January 1, 2036.

To the extent a lead agency would be required to determine the applicability of some of the above-described exemptions and determinations of full compliance with CEQA, the bill would impose a state-mandated local program.

(6) The California Coastal Act of 1976 requires a person wishing to perform or undertake any development in the coastal zone to obtain a coastal development permit. The act encourages coastal-dependent industrial facilities to locate or expand within existing sites and requires that facilities be permitted reasonable long-term growth, as

provided. The act specifies that new or expanded oil and gas development is not to be considered a coastal-dependent industrial facility and is to be permitted only if it is consistent with the act and meets certain requirements, including a requirement that oil produced offshore is to be transported onshore by pipeline using the best achievable technology, as defined, and onshore transport of the oil to processing and refining facilities by pipeline. The act applies the pipeline requirements on new or expanded oil extraction operations, and defines terms for these purposes, including the term "expanded oil extraction." The act authorizes the transport of the oil by other modes of transportation if certain conditions are met. The act authorizes the repair and maintenance of an existing oil and gas facility to be permitted as a coastal-dependent industrial facility if certain requirements are met.

This bill would require the onshore transportation of the oil to processing and refining facilities to use the best available technology, as provided. The bill would repeal authorization for the use of alternative modes of transportation. The bill would revise the definition of "expanded oil extraction" to include reactivation of a facility idled, inactive, or out of service for more than 3 years, or an increase in oil extraction from the use of hydraulic fracturing, extended reach drilling, acidization, or other unconventional technologies.

This bill would authorize the reactivation of an existing oil and gas facility to also be permitted as a coastal-dependent industrial facility. The bill would require a person to obtain a new coastal development permit for the repair, reactivation, and maintenance of an oil and gas facility that has been idled, inactive, or out of service for 3 years or more.

Because the bill would impose additional duties on a local government with a certified local coastal program in processing and reviewing an application for a coastal development permit, this bill would impose a state-mandated local program.

(7) This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Kern.

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.