June 11, 2019

The Honorable Senator Henry Stern
Chair, Senate Committee on Natural Resources
Capitol, Room 5080
Sacramento, CA 95814

RE: AB 1057 (Limon) Environmental Liability Protection - SUPPORT

Dear Senator Stern:

I am writing on behalf of the Santa Barbara County Board of Supervisors to state our support for AB 1057 (Limon), which would authorize the State Oil and Gas Supervisor to require an individual indemnity bond or a blanket indemnity bond to provide an additional amount of security acceptable to the Supervisor in an amount not to exceed the reasonable costs of plugging and abandoning all of the operator's wells and for remediating environmental damages caused by the well. Specifically, this bill strengthens the Division of Oil, Gas, and Geothermal Resources (DOGGR) authority to require additional bonding requirements based on the likely costs for full remediation.

As oil production continues to decline in California, there is a growing concern that oil and gas infrastructure could be deserted, leaving the public to address the risks and cover the costs. Currently, over 97% of oil and gas wells are onshore and upwards of 30,000 wells haven’t produced in over 15 years. Based on conservative estimates, costs to the taxpayer could be as high as $298 million per 10,000 oil wells.

There are over a thousand idle wells within Santa Barbara County. Idle wells pose significant public health concerns and a threat to groundwater. Many idle wells are near homes, agriculture, and sources of drinking water. Without proper usage or maintenance, wells can crack or disintegrate allowing contaminants such as uranium, lead, iron, selenium, sulfates and radon to leak into groundwater sources. Idle wells can also leak methane, a greenhouse gas, if improperly maintained. In addition, there are high costs associated with plugging of deserted wells and decommissioning the deserted facilities attendant to oil and gas production can be significant.

The Board of Supervisors adopted a 2019 Legislative Platform that includes the Oil and Gas Infrastructure Safety and Compliance Legislative Plank that specifically states the County will support to strengthen rules set forth by, and enforcement capabilities of, the Division of Oil, Gas and Geothermal Resources (DOGGR) to require timely and proper abandonment of oil and gas facilities.
For these reasons, the Santa Barbara County Board of Supervisors is pleased to support AB 1057 (Limon). If you have questions about the Board’s position, please contact the County’s Legislative Coordinator, Dennis Bozanich at 805-568-3403 or dbozanich@countyofsb.org.

Sincerely,

Cliff Berg
*Governmental Advocates, Inc.*

cc: The Honorable Assemblymember Monique Limon, Author
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