

**BOARD OF
SUPERVISORS**

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COUNTY OF SANTA BARBARA

July 13, 2021

The Honorable Anthony Portantino
Chair, Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

RE: AB 896 (Bennett) - SUPPORT

Dear Senator Portantino:

I am writing on behalf of the Santa Barbara County Board of Supervisors to state our support for Assembly Bill 896 (Bennett), which would allow the California Geologic Energy Management Division (CalGEM) supervisor to impose a claim and lien upon the real property of oil and gas operators with the intention of protecting the State financially from taking on the cost of abandoning orphaned wells and decommissioning deserted oil and gas production facilities. The bill would also establish a collections unit within CalGEM to be responsible for: (1) collection of unpaid idle well fees from an operator, (2) establishing the timelines and criteria for determining if a well has been deserted, and (3) locating or collecting any costs from the operator or responsible party for a well that has been deserted or ordered to undergo well integrity testing or to be plugged and abandoned by the supervisor.

Oil & gas development has occurred in Santa Barbara County since as early as the 1890's and a significant amount of historic, abandoned infrastructure associated with discontinued operations is located within the County. Local jurisdictions have limited ability to require financial assurances for orphaned wells and deserted production facilities, and often rely on the State to take responsibility for plugging and abandoning such assets. California is expected to see more deserted wells and production facilities in the future. Some operators may eventually declare bankruptcy and forfeit any requirements to abandon wells or decommission related infrastructure. Addressing this neglected infrastructure protects the health and safety of nearby communities. Allowing CalGEM to collect these funds from the oil industry in California insures these costs are not passed along to the taxpayer.

The Board of Supervisors adopted a 2021 Legislative Platform which includes the Oil and Gas Infrastructure Safety and Compliance Legislative plank that specifically states that the County will support funding for cleanup/removal of historic, abandoned oil and gas wells and equipment where there is no existing responsible party with an urgent priority targeting wells that pollute the marine environment, as well as for equipment that creates public safety/nuisance concerns. AB 896 represents a proactive, positive step in facilitating actions by well operators and other responsible parties that will promote proper remediation of idle gas and oil wells and reduce the potential for environmental risks.

For these reasons, the Santa Barbara County Board of Supervisors is pleased to support AB 896. If you have questions about the Board's position, please contact the County's Legislative Coordinator, Jasmine McGinty at 805-568-3108 or jmcginty@countyofsb.org. Thank you for your consideration.

Sincerely,



Cliff Berg

Governmental Advocates, Inc.

cc: The Honorable Assemblymember Steve Bennett, Author
Honorable Members, Senate Appropriations Committee
Ashley Ames, Consultant, Senate Appropriations Committee
Todd Moffitt, Consultant, Senate Republican Caucus
The Honorable Senator Monique Limon, 19th Senate District
The Honorable Assemblymember Jordan Cunningham, 35th Assembly District
Members, County of Santa Barbara Board of Supervisors
Mona Miyasato, County Executive Officer
Nancy Anderson, Assistant County Executive Officer, County of Santa Barbara Board of Supervisors