

AMENDED IN ASSEMBLY APRIL 29, 2019

AMENDED IN ASSEMBLY APRIL 3, 2019

AMENDED IN ASSEMBLY MARCH 26, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 345

Introduced by Assembly Member Muratsuchi

February 4, 2019

An act to add Section 3203.5 to the Public Resources Code, relating to oil and gas.

LEGISLATIVE COUNSEL'S DIGEST

AB 345, as amended, Muratsuchi. Oil and gas: operations: location restrictions.

Existing law authorizes the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation to regulate the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. Existing law requires the operator of a well to file a written notice of intention to commence drilling with, and prohibits any drilling until approval is given by, the State Oil and Gas Supervisor or district deputy. Existing law requires an operator proposing to perform a well stimulation treatment to apply to the supervisor or district deputy for a permit to perform the well stimulation treatment and imposes other requirements and conditions on the use of well stimulation treatments. Under existing law, a person who fails to comply with this and other requirements relating to the regulation of oil or gas operations is guilty of a misdemeanor.

This bill would require, commencing January 1, 2020, all new oil and gas ~~development~~, *development or enhancement operation*, as defined,

that is not on federal land, to be located at least 2,500 feet from a residence, school, childcare facility, playground, hospital, or health clinic. ~~For these purposes, the bill would require the redrilling of a previously plugged and abandoned oil or gas well or other rework operations, as defined, to be considered new oil and gas development.~~ The bill would authorize a city or county to require by ordinance that new oil and gas development *or enhancement operation* be located a larger distance away from a residence, school, childcare facility, playground, hospital, or health clinic than 2,500 feet. In the event that 2 or more cities and counties with jurisdiction over the same geographic area establish different health protection zone distances, the bill would require the larger health protection zone distance to apply. Because a violation of these provisions would be a crime, the bill would impose a state-mandated local program. The bill would authorize an operator of an oil or gas well or a production facility subject to these provisions to file a written request, containing specified information, with the division for a variance to reduce the health protection zone to the maximum achievable distance, and would authorize the supervisor to grant a variance upon making a written finding that the operator has no other feasible means of accessing a legal subsurface right, that the variance provides as much distance between sensitive receptors and those oil and gas operations as achievable, and that the variance would not endanger public health and safety.

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 no reimbursement is required by this act for a specified reason.

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

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 3203.5 is added to the Public Resources
- 2 Code, to read:
- 3 3203.5. (a) The Legislature finds and declares both of the
- 4 following:
- 5 (1) Proximity to oil and gas extraction, including the use of
- 6 hydraulic fracturing, well acidization, and other nonconventional

1 oil and gas extraction techniques, adversely impacts public health
2 and safety.

3 (2) These adverse impacts are reduced by locating oil and gas
4 operations away from sensitive receptors such as schools, childcare
5 facilities, playgrounds, residences, hospitals, and health clinics.

6 (b) For purposes of this section, both of the following definitions
7 apply:

8 (1) *“Enhancement operations” means operations intended to*
9 *increase the hydrocarbon production of an oil and gas well. Those*
10 *enhancement operations shall include well stimulation treatments,*
11 *acid well stimulation treatments, and restoring a plugged and*
12 *abandoned well or an idle well into production, and shall not*
13 *include repairs or well maintenance work.*

14 (1)

15 (2) *“Oil and gas development” means exploration for, and*
16 *drilling, production, and processing of, oil, gas, or other gaseous*
17 *and liquid hydrocarbons, and the flowlines and the treatment of*
18 *waste associated with that exploration, drilling, production, and*
19 *processing. “Oil and gas development” also includes hydraulic*
20 *fracturing hydrocarbons.*

21 (2) ~~“Rework operations” means operations performed in the~~
22 ~~well bore of an oil or gas well after the well is completed and~~
23 ~~equipped for production for the purpose of securing, restoring, or~~
24 ~~improving hydrocarbon production in a subsurface interval that is~~
25 ~~then open to production in the well bore. Those operations shall~~
26 ~~include, but are not limited to, fracturing, refracturing, and other~~
27 ~~formation stimulation operations and recompletion operations~~
28 ~~conducted in the subsurface interval, and shall not include routine~~
29 ~~repairs or well maintenance work.~~

30 (c) Except as provided in subdivisions (d) and (e), and
31 notwithstanding any other law, commencing January 1, 2020, all
32 new oil and gas development *or enhancement operation* permitted
33 under this division, that is not on federal land, shall be located at
34 least 2,500 feet from a residence, school, childcare facility,
35 playground, hospital, or health clinic. ~~For purposes of this section,~~
36 ~~the redrilling of a previously plugged and abandoned oil or gas~~
37 ~~well or other rework operations shall be considered new oil and~~
38 ~~gas development.~~

39 (d) Except as provided in subdivision (e), a city or county may
40 require by ordinance that new oil and gas development *or*

1 *enhancement operation* be located a larger distance away from a
 2 residence, school, childcare facility, playground, hospital, or health
 3 clinic than required by subdivision (c). In the event that two or
 4 more cities and counties with jurisdiction over the same geographic
 5 area establish different health protection zone distances, the larger
 6 health protection zone distance shall apply.

7 (e) Notwithstanding subdivisions (c) and (d), an operator of an
 8 oil or gas well or a production facility subject to this section may
 9 file a written request with the division for a variance to reduce the
 10 health protection zone to the maximum achievable distance. The
 11 request shall include competent, substantial, and relevant evidence
 12 demonstrating that the applicable health protection zone would
 13 extend beyond the area on which the operator has a legal right to
 14 locate the oil or gas well or production facility and that the variance
 15 would be consistent with the intent of this section and protect
 16 public health and safety. The supervisor may grant a variance upon
 17 making a written finding that the operator has no other feasible
 18 means of accessing a legal subsurface right, that the variance
 19 provides as much distance between sensitive receptors and those
 20 oil and gas operations as achievable, and that the variance would
 21 not endanger public health and safety.

22 (f) For the duration of a permit lawfully issued pursuant to this
 23 division before January 1, 2020, this section shall not apply to oil
 24 and gas development ~~and rework~~ or *enhancement* operations
 25 conducted pursuant to the permit and that are in compliance with
 26 all applicable requirements for the duration of the permit.

27 SEC. 2. No reimbursement is required by this act pursuant to
 28 Section 6 of Article XIII B of the California Constitution because
 29 the only costs that may be incurred by a local agency or school
 30 district will be incurred because this act creates a new crime or
 31 infraction, eliminates a crime or infraction, or changes the penalty
 32 for a crime or infraction, within the meaning of Section 17556 of
 33 the Government Code, or changes the definition of a crime within
 34 the meaning of Section 6 of Article XIII B of the California
 35 Constitution.