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AB-1057 Oil and gas: Geologic Energy Management Division: wells and facilities: disposition and acquisition notices: indemnity bonds and remediation: additional security: civil penalty. (2019-2020)

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Assembly Bill No. 1057

CHAPTER 771

An act to amend Section 848 of the Civil Code, to amend Sections 8589.7 and 8670.55 of the Government Code, to amend Sections 42710 and 101042 of the Health and Safety Code, to amend Sections 607, 690, 3002, 3114, 3201, 3202, 3236.5, 3705, 6212, 25550, 30262, and 30404 of, to add Sections 3011 and 3205.3 to, and to repeal Section 3263 of, the Public Resources Code, to amend Sections 309 and 714 of the Public Utilities Code, and to amend Sections 10783 and 13267.5 of the Water Code, relating to oil and gas.

[Approved by Governor October 12, 2019. Filed with Secretary of State October 12, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1057, Limón. Oil and gas: Geologic Energy Management Division: wells and facilities: disposition and acquisition notices: indemnity bonds and remediation: additional security: civil penalty.

(1) Existing law establishes the Division of Oil, Gas, and Geothermal Resources within the Department of Conservation. Under existing law, the division regulates the drilling, operation, maintenance, and abandonment of oil and gas wells in the state.

This bill would change the name of the Division of Oil, Gas, and Geothermal Resources within the Department of Conservation to the Geologic Energy Management Division and make conforming changes.

This bill would specify that the purposes of provisions relating to oil and gas conservation include protecting public health and safety and environmental quality, including reduction and mitigation of greenhouse gas emissions associated with the development of hydrocarbon and geothermal resources in a manner that meets the energy needs of the state. The bill would require the State Oil and Gas Supervisor to coordinate with other state agencies and certain entities in furtherance of the goals of the California Global Warming Solutions Act of 2006 and to help support the state's clean energy goals.

(2) Existing law requires an operator who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of a well, or who acquires a well, to file with the supervisor an individual indemnity bond for each well so drilled, redrilled, deepened, permanently altered, or acquired in specified amounts depending on the depth of the well. Existing law authorizes an operator who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of 20 or more wells at any time to file with the supervisor one blanket indemnity bond to cover all the operations in any of its wells in the state, in a specified amount depending on the total number of wells in the state, in lieu of the above-described requirement for an individual indemnity bond for each operation. Existing law provides that a person who fails to comply with these and other specific laws relating to the regulation of oil or gas operations is guilty of a misdemeanor.

This bill would authorize the division to require an operator filing an individual or blanket indemnity bond, as applicable, to provide an additional amount of security acceptable to the division based on the division's evaluation of the risk that the operator will

desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural resources, and would prohibit that amount from exceeding the lesser of the division's estimation of the reasonable costs of properly plugging and abandoning all of the operator's wells and decommissioning any attendant production facilities, or \$30,000,000. The bill would require the division, when making an estimation of the reasonable costs of properly plugging and abandoning an operator's well or wells and decommissioning any attendant production facilities, to provide the operator with an opportunity to submit the operator's own estimation and to consider specified factors. The bill would require the division, in evaluating the risk that the operator will desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural resources, to consider specified factors. The bill would require the division to provide the operator with notice of the requirement to provide additional security, as specified, and would require the operator to provide the additional security within 180 days of service of notice. The bill would require the division to increase or decrease the amount of additional security required under these provisions to account for changed circumstances or new information. The bill would authorize the operator to, at any time, petition the division to reevaluate the division's evaluation of the risk or cost estimates, and would require the division to respond to the petition in writing within 60 days of receipt of the petition. The bill would require an operator to provide the additional security using one of specified methods, including, among others, an indemnity bond or an equally effective means of financial assurance approved by the division. The bill would authorize the division to approve self-insurance as an equally effective means of financial assurance only if certain conditions are satisfied, and would require the division to maintain as confidential any financial information received from an operator pursuant to these provisions that is not otherwise publicly available. The bill would authorize any 2 or more operators to elect to enter into a liability sharing agreement and would require the division to treat all operators that participate in the liability sharing agreement as a single operator when requiring additional security under these provisions, as provided. Because a violation of these provisions relating to providing an additional amount of security would be a crime, the bill would impose a state-mandated local program.

(3) Existing law requires the operator of a well or production facility to notify the supervisor or the district deputy, in writing, in the form that the supervisor or the district deputy may direct, of the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility by the operator of the well or production facility within a prescribed time period and requires that notice to contain specified information.

This bill would require, upon request of the supervisor, a former operator to provide certain additional information about the disposition to the division, as specified. Because a violation of these provisions relating to providing additional information would be a crime, the bill would impose a state-mandated local program.

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, to notify the supervisor or the district deputy, in writing, of the person's operation within a prescribed time period and requires that person to provide specified material.

This bill would require, upon request of the supervisor, a new operator to provide certain additional information about the disposition to the division, as specified. The bill would require the new operator, after notice of operations and until another person acquires the well or production facility, to notify the supervisor, in writing and by July 1 every other year, whether any of the rights have changed, and would require the new operator to also notify the supervisor within 30 days of any quitclaim of a well or production facility. Because a violation of these provisions relating to providing additional information and notice would be a crime, the bill would impose a state-mandated local program.

(4) Existing law provides that a person who violates certain requirements related to the regulation of oil and gas is subject to specified civil penalties. Existing law authorizes the supervisor to allow a supplemental environmental project in lieu of a portion of the civil penalty amount. Existing law, until January 1, 2021, requires the portion of the civil penalty amount that is not allocated for a supplemental environmental project be deposited in the Oil and Gas Environmental Remediation Account and, after January 1, 2021, in the Oil, Gas, and Geothermal Administrative Fund. Existing law, until January 1, 2021, establishes that account in the Oil, Gas, and Geothermal Administrative Fund to be administered and managed by the division, and requires that the moneys in the account be used, upon appropriation by the Legislature, to plug and abandon oil and gas wells, decommission attendant facilities, or otherwise remediate sites that the supervisor determines could pose a danger to life, health, water quality, wildlife, or natural resources if there is no operator determined by the supervisor to be responsible for remediation or who is able to respond.

This bill would indefinitely establish the Oil and Gas Environmental Remediation Account as well as the requirements of how the moneys in the account are to be used, upon appropriation by the Legislature. The bill would indefinitely require the portion of the civil penalty amount that is not allocated for a supplemental environmental project to be deposited in the Oil and Gas Environmental Remediation Account.

(5) 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 Local Program: yes

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

SECTION 1. Section 848 of the Civil Code is amended to read:

848. (a) Except as provided in subdivision (c), the owner of mineral rights, as defined by Section 883.110, in real property shall give a written notice prior to the first entry to the owner of the real property who is listed as the assessee on the current local assessment roll or to the owner's representative, or to the lessee of the real property if different from the mineral rights owner, and to any public utility that has a recorded interest in the real property if there is to be excavation of the utility interest, under the following circumstances:

(1) If the mineral rights owner or its agent intends to enter real property for the purpose of undertaking non-surface-disrupting activities such as surveying, water and mineral testing, and removal of debris and equipment not involving use of an articulated vehicle on the real property, the owner or agent shall provide a minimum of five days' notice. Reasonable attempts shall be made to deliver the notice by acknowledged personal delivery, but if that cannot occur, the notice shall be delivered by registered letter and be received a minimum of five days prior to the entrance on the property. The notice shall specify all of the following:

(A) Date of entry.

(B) Estimated length of time the property will be occupied.

(C) General nature of the work.

(2) If the mineral rights owner or its agent intends to enter real property for the purpose of excavation or other surface-disrupting activities such as drilling new wells, constructing structures, bringing articulated vehicles or excavation equipment on the real property, or reclamation of the real property after the surface has been disturbed, the owner or agent shall provide a minimum of 30 days' notice. The notice shall specify both of the following:

(A) The extent and location of the prospecting, mining, or extraction operation.

(B) The approximate time or times of entry and exit upon the real property.

(3) If a mineral rights owner's entry to the real property ceases for a period of one year or more, any further entry by the mineral rights owner for the purpose of surface-disturbing activities pursuant to paragraph (2) shall require written notice pursuant to this subdivision.

(b) (1) If a mineral rights owner has been authorized by the Geologic Energy Management Division to drill a relief well or to take other immediate actions in response to an emergency situation, or if the division or its agent is drilling a relief well or taking other immediate actions in response to an emergency situation, the notice provisions under paragraph (2) of subdivision (a) shall be waived.

(2) For purposes of this subdivision, an "emergency" means immediate action is necessary to protect life, health, property, or natural resources.

(c) The notice specified in subdivision (a) shall not be required if the owner of the real property or assessee has a current, already negotiated surface use, access use, or similar agreement with the mineral rights owner, lessee, agent, or operator.

(d) If the mineral rights owner has not complied with the notice requirement specified in subdivision (a), the owner of the real property listed on the current assessment roll or any public utility which has a recorded interest in the real property may request a court to enjoin the prospecting, mining, or extracting operation until the mineral rights owner has complied. The absence of a known owner on the assessment roll or any public utility which has a recorded interest in the real property relieves the mineral rights owner of the obligation to give the written notice to the owner or public utility.

(e) For purposes of this section, an "acknowledged personal delivery" means that the written notice is personally delivered to the owner, the owner's representative, or lessee, and the owner, the owner's representative, or lessee acknowledges, in writing, receipt of the notice.

SEC. 2. Section 8589.7 of the Government Code is amended to read:

8589.7. (a) In carrying out its responsibilities pursuant to subdivision (b) of Section 8574.17, the Office of Emergency Services shall serve as the central point in state government for the emergency reporting of spills, unauthorized releases, or other accidental releases of hazardous materials and shall coordinate the notification of the appropriate state and local administering

agencies that may be required to respond to those spills, unauthorized releases, or other accidental releases. The Office of Emergency Services is the only state entity required to make the notification required by subdivision (b).

(b) Upon receipt of a report concerning a spill, unauthorized release, or other accidental release involving hazardous materials, as defined in Section 25501 of the Health and Safety Code, or concerning a rupture of, or an explosion or fire involving, a pipeline reportable pursuant to Section 51018, the Office of Emergency Services shall immediately inform the following agencies of the incident:

(1) For an oil spill reportable pursuant to Section 8670.25.5, the Office of Emergency Services shall inform the administrator for oil spill response, the State Lands Commission, the California Coastal Commission, and the California regional water quality control board having jurisdiction over the location of the discharged oil.

(2) For a rupture, explosion, or fire involving a pipeline reportable pursuant to Section 51018, the Office of Emergency Services shall inform the State Fire Marshal.

(3) For a discharge in or on any waters of the state of a hazardous substance or sewage reportable pursuant to Section 13271 of the Water Code, the Office of Emergency Services shall inform the appropriate California regional water quality control board.

(4) For a spill or other release of petroleum reportable pursuant to Section 25270.8 of the Health and Safety Code, the Office of Emergency Services shall inform the local administering agency that has jurisdiction over the spill or release.

(5) For a crude oil spill reportable pursuant to Section 3233 of the Public Resources Code, the Office of Emergency Services shall inform the Geologic Energy Management Division and the appropriate California regional water quality control board.

(c) This section does not relieve a person who is responsible for an incident specified in subdivision (b) from the duty to make an emergency notification to a local agency, or the 911 emergency system, under any other law.

(d) A person who is subject to Section 25507 of the Health and Safety Code shall immediately report all releases or threatened releases pursuant to that section to the appropriate local administering agency and each local administering agency shall notify the Office of Emergency Services and businesses in their jurisdiction of the appropriate emergency telephone number that can be used for emergency notification to the administering agency on a 24-hour basis. The administering agency shall notify other local agencies of releases or threatened releases within their jurisdiction, as appropriate.

(e) No facility, owner, operator, or other person required to report an incident specified in subdivision (b) to the Office of Emergency Services shall be liable for any failure of the Office of Emergency Services to make a notification required by this section or to accurately transmit the information reported.

SEC. 3. Section 8670.55 of the Government Code is amended to read:

8670.55. (a) The committee shall provide recommendations to the administrator, the State Lands Commission, the California Coastal Commission, the San Francisco Bay Conservation and Development Commission, the Geologic Energy Management Division, the Office of the State Fire Marshal, and the Public Utilities Commission, on any provision of this chapter, including the promulgation of all rules, regulations, guidelines, and policies.

(b) The committee may study, comment on, or evaluate, at its own discretion, any aspect of oil spill prevention and response in the state. To the greatest extent possible, these studies shall be coordinated with studies being done by the federal government, the administrator, the State Lands Commission, the State Water Resources Control Board, and other appropriate state and international entities. Duplication with the efforts of other entities shall be minimized.

(c) The committee may attend any drills called pursuant to Section 8670.10 or any oil spills, if practicable.

(d) The committee shall report biennially to the Governor and the Legislature on its evaluation of oil spill response and preparedness programs within the state and may prepare and send any additional reports it determines to be appropriate to the Governor and the Legislature.

SEC. 4. Section 42710 of the Health and Safety Code is amended to read:

42710. (a) The state board, in consultation with any local air district and the Geologic Energy Management Division in the Department of Conservation, shall develop a natural gas storage facility monitoring program that includes continuous monitoring of the ambient concentration of natural gas at sufficient locations throughout a natural gas storage facility or planned natural gas storage facility to identify natural gas leaks and the presence of natural gas emissions in the atmosphere. The continuous monitoring program may be supplemented by daily leak detection measurements.

(b) (1) The program shall include guidelines for the continuous monitoring which shall include, at minimum, optical gas imaging, where applicable, and accurate quantitative monitoring of natural gas concentrations. The program shall include protocols for both stationary and mobile monitoring, as well as fixed and temporary monitoring locations.

(2) The program shall require optical gas imaging when a large, ongoing leak occurs.

(c) An operator of a natural gas storage facility shall develop and submit to the state board a facility monitoring plan that satisfies program requirements pursuant to subdivisions (a) and (b). The state board shall review the plan and may approve or disapprove the plan.

(d) An operator of a natural gas storage facility shall conduct monitoring in accordance with the facility monitoring plan approved by the state board pursuant to subdivision (c).

(e) An operator of a natural gas storage facility shall provide monitoring data to the state board. All materials provided to comply with this section shall be posted and available to the public on the internet website of the state board.

SEC. 5. Section 101042 of the Health and Safety Code is amended to read:

101042. (a) If the local health officer or their designee is notified of a leak in an active gas pipeline, that is within the jurisdiction of the Geologic Energy Management Division and within a sensitive area, pursuant to Section 3270.6 of the Public Resources Code and the local health officer or their designee determines that the leak poses a risk to public health or safety and that the response to the leak has been inadequate to protect the public health or safety, the local health officer or their designee shall, working collaboratively with the division and the owner or operator of the pipeline, do both of the following:

(1) Direct the responsible party to test, to the satisfaction of the agency overseeing the testing, the soil, air, and water in the affected area for contamination caused by the leak and disclose the results of the tests to the public.

(2) Make a determination, based on the result of the tests, on whether the leak poses a serious threat to the public health and safety of residents affected by the leak, and require the responsible party to provide assistance, including temporary relocation, to those residents if the local health officer or their designee so determines.

(b) If the local health officer or their designee determines, based on the results of the test, that the leak poses a serious threat to public health and safety, the local health officer or their designee shall direct the responsible party to notify all residents affected by the leak.

(c) The responsible party shall be liable for the costs incurred by the local health officer or their designee pursuant to this section.

(d) Providing resident assistance and reimbursement for local health officer expenses shall not relieve a responsible party from liability for damages, and a responsible party shall not condition assistance or request a waiver of liability from the recipient of the assistance.

SEC. 6. Section 607 of the Public Resources Code is amended to read:

607. The work of the department shall be divided into at least the following:

(a) California Geological Survey.

(b) (1) Geologic Energy Management Division.

(2) Any reference in any law or regulation to the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation is deemed to, instead, refer to the Geologic Energy Management Division.

(c) Division of Land Resource Protection.

(d) Division of Mine Reclamation.

SEC. 7. Section 690 of the Public Resources Code is amended to read:

690. The Geologic Energy Management Division shall be in charge of a chief, known as the State Oil and Gas Supervisor.

SEC. 8. Section 3002 of the Public Resources Code is amended to read:

3002. "Division," in reference to the government of this state, means the Geologic Energy Management Division in the Department of Conservation; otherwise "division" means Division 3 (commencing with Section 3000) of the Public Resources Code.

SEC. 9. Section 3011 is added to the Public Resources Code, to read:

3011. (a) The purposes of this division include protecting public health and safety and environmental quality, including reduction and mitigation of greenhouse gas emissions associated with the development of hydrocarbon and geothermal resources in a manner that meets the energy needs of the state.

(b) The supervisor shall coordinate with other state agencies and entities described in subdivision (f) of Section 38501 of the Health and Safety Code in furtherance of the goals of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) and to help support the state's clean energy goals.

SEC. 10. Section 3114 of the Public Resources Code is amended to read:

3114. (a) By July 30, 2019, and annually thereafter, the Department of Conservation, in consultation with the State Water Resources Control Board, shall report to the fiscal and relevant policy committees of the Legislature on the Underground Injection Control Program. The report shall include, but is not limited to, all of the following about activities in the previous 12 months:

(1) The number and location of underground injection control project approvals issued by the department, including projects that were approved but subsequently lapsed without having commenced injection.

(2) The monthly average number of pending project applications.

(3) The average length of time to obtain an underground injection control project approval from date of receipt of complete application to the date of issuance.

(4) The average amount of time to review an underground injection control project proposal by the division and the average combined review time by the State Water Resources Control Board and regional water quality control boards for each proposed underground injection control project.

(5) The number of project proposals pending for over one year.

(6) A list of pending aquifer exemptions, if any, and their status in the review process.

(7) The average length of time to process an aquifer exemption and the average amount of time to review a proposed aquifer exemption by the division and the average combined review time by the State Water Resources Control Board and regional water quality control boards for each aquifer exemption proposal.

(8) The number and description of underground injection control related violations identified.

(9) The number of enforcement actions taken by the department.

(10) The number of shut-in orders or requests to relinquish permits and the status of those orders or requests.

(11) The number, classification, and location of staff with work related to underground injection control.

(12) The number of staff vacancies for positions associated with underground injection control.

(13) Any state or federal legislation, administrative, or rulemaking changes to the program.

(14) The number of underground injection control projects reviewed for compliance with statutes and regulations in each district and a summary of findings from project reviews completed during the reporting period, including any steps taken to address identified deficiencies.

(15) The number of underground injection control projects that have not been reviewed for compliance with applicable statutes and regulations within the prior two years.

(16) Summary of significant milestones in their compliance schedule agreed to with the United States Environmental Protection Agency, as indicated in the March 9, 2015, letter to the division and the state board from the United States Environmental Protection Agency, including, but not limited to, regulatory updates, evaluations of injection wells, and aquifer exemption applications.

(17) Summary of activities undertaken by the underground injection control review panel established pursuant to Section 46 of Chapter 24 of the Statutes of 2015.

(b) This section shall become inoperative on October 1, 2024, and, as of January 1, 2025, is repealed.

SEC. 11. Section 3201 of the Public Resources Code is amended to read:

3201. (a) The operator of a well or production facility shall notify the supervisor or the district deputy, in writing, in the form that the supervisor or the district deputy may direct, of the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility by the operator of the well or production facility as soon as is reasonably possible, but in no event later than the date that the sale, assignment, transfer, conveyance, exchange, or other disposition becomes final. The operator shall not be relieved of responsibility for the well or production facility until the supervisor or the district deputy acknowledges the sale, assignment, transfer, conveyance, exchange, or other disposition, in writing, and the person acquiring the well or production facility is in compliance with Section 3202. The operator's notice shall contain all of the following information:

- (1) The name and address of the person to whom the well or production facility was or will be sold, assigned, transferred, conveyed, exchanged, or otherwise disposed.
- (2) The name and location of the well or production facility, and a description of the land upon which the well or production facility is situated.
- (3) The date that the sale, assignment, transfer, conveyance, exchange, or other disposition becomes final.
- (4) The date when possession was or will be relinquished by the operator as a result of that disposition.

(b) (1) Upon request of the supervisor, the former operator shall, within 15 days, provide copies of the documents recorded with a governmental office involving the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility to the division.

(2) If after reviewing documents submitted pursuant to paragraph (1) the division determines additional documentation is needed to validate the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility, the division shall notify the former operator.

(3) Upon receiving notice pursuant to paragraph (2), the former operator shall, within 30 days, provide documents necessary to identify the operator of the well or production facility to the division. If the documents are not otherwise publicly available, the former operator may redact information from the documents before submitting them to the division if the division agrees the information is not relevant to identification of the current operator of the well or production facility.

SEC. 12. Section 3202 of the Public Resources Code is amended to read:

3202. (a) A person who acquires the right to operate a well or production facility, whether by purchase, transfer, assignment, conveyance, exchange, or other disposition, shall, as soon as it is reasonably possible, but not later than the date when the acquisition of the well or production facility becomes final, notify the supervisor or the district deputy, in writing, of the person's operation. The acquisition of a well or production facility shall not be recognized as complete by the supervisor or the district deputy until the new operator provides all of the following material:

- (1) The name and address of the person from whom the well or production facility was acquired.
- (2) The name and location of the well or production facility, and a description of the land upon which the well or production facility is situated.
- (3) The date when the acquisition becomes final.
- (4) The date when possession was or will be acquired.
- (5) An indemnity bond for each well as required under Section 3204 or 3205.

(b) (1) Upon request of the supervisor, the new operator shall, within 15 days, provide copies of the documents recorded with a governmental office involving the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility to the division.

(2) If after reviewing documents submitted pursuant to paragraph (1) the division determines additional documentation is needed to validate the sale, assignment, transfer, conveyance, exchange, or other disposition of the well or production facility, the division shall notify the new operator.

(3) Upon receiving notice pursuant to paragraph (2), the new operator shall, within 30 days, provide documents necessary to identify the operator of the well or production facility to the division. If the documents are not otherwise publicly available, the new operator may redact information from the documents before submitting them to the division if the division agrees the information is not relevant to identification of the current operator of the well or production facility.

(c) After notice is given pursuant to subdivision (a) and until another person acquires the well or production facility, the new operator shall notify the supervisor whether any of the rights have changed. That notification shall be in writing and occur every other year by July 1.

(d) The new operator shall also notify the supervisor within 30 days of any quitclaim of a well or production facility.

SEC. 13. Section 3205.3 is added to the Public Resources Code, to read:

3205.3. (a) The division may require an operator filing an individual indemnity bond pursuant to Section 3204 or a blanket indemnity bond pursuant to Section 3205, as applicable, to provide an additional amount of security acceptable to the division based on the division's evaluation of the risk that the operator will desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural resources. The additional security required by the division shall not exceed the lesser of the division's estimation of the reasonable costs of properly plugging and abandoning all of the operator's wells and decommissioning any attendant production facilities in accordance with Section 3208, or thirty million dollars (\$30,000,000).

(b) When making an estimation under this section of the reasonable costs of properly plugging and abandoning an operator's well or wells and decommissioning any attendant production facilities, the division shall provide the operator with an opportunity to submit the operator's own estimation and shall consider all of the following:

- (1) The depth of the well or wells.
- (2) The accessibility and surroundings of the well or wells and any attendant production facilities.
- (3) Available information about the condition of the well or wells and any attendant production facilities.
- (4) Available information about the cost to plug and abandon a comparable well or wells.
- (5) Available information about the cost to decommission production facilities comparable to the production facilities attendant to the well or wells.
- (6) The operator's cost estimates, if provided.
- (7) Whether the operator is a public utility gas corporation, as defined in subdivision (a) of Section 216 of the Public Utilities Code.
- (8) Any other information that the division determines to be relevant to the estimation of cost.

(c) The division, in evaluating the risk that the operator will desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural resources, shall consider all of the following:

- (1) The difference between the estimation of reasonable costs of plugging and abandonment under subdivisions (a) and (b) and the total amount of indemnity bonds or other financial assurances in place to ensure funding of the plugging and abandonment of the operator's well or wells.
- (2) The level of current production from the well or wells.
- (3) Available information regarding estimated reserves remaining in place associated with the well or wells.
- (4) Whether the well or wells are "critical," are "environmentally sensitive," or are in an "urban area," as those terms are defined by the division in regulation.
- (5) To the extent that relevant information is available to the division, the financial status of the operator and the operator's financial capacity to plug and abandon all of the operator's wells.
- (6) The past record of compliance by the operator with the division.
- (7) The number of idle wells to be covered by the indemnity bond and the operator's record of compliance with the requirements of Section 3206 and the division's regulations related to the management of idle wells.
- (8) Whether the operator's well or wells are subject to any bonding or financial assurance requirements by a local government.
- (9) Whether the operator's well or wells are already subject to additional bond coverage by the division pursuant to Section 3270.4.
- (10) Any other information that the division determines to be relevant to the evaluation of the risk.

(d) The division shall provide the operator with notice of the requirement to provide additional security, and the notice shall be served by personal service or certified mail. The operator shall provide the additional security within 180 days of service of notice. The notice shall include an explanation of the division's estimation of the reasonable costs to plug and abandon the operator's well or wells and of the basis for the decision to require the operator to provide additional security. The requirements of this subdivision shall also apply to any subsequent increase in the amount of additional security required under subdivision (e).

(e) The division shall increase or decrease the amount of additional security required under this section to account for changed circumstances or new information. The operator may, at any time, petition the division to reevaluate the division's evaluation of the risk or cost estimates, and the division shall respond to the petition in writing within 60 days of receipt of the petition.

(f) (1) An operator shall provide additional security required under this section in the form of an indemnity bond, a form of deposit described in Section 995.710 of the Code of Civil Procedure, or any other equally effective means of financial assurance approved by the division. Examples of equally effective means of financial assurance that the division may consider for approval include a letter of credit, a corporate guarantee, a trust fund, or a demonstration of self-insurance.

(2) The division may only approve self-insurance as an equally effective means of financial assurance if the operator provides detailed financial information demonstrating to the division's satisfaction that, based on the considerations under subdivision (c), the risks associated with the operator's potential for desertion of its well or wells are low. If the division approves self-insurance as an equally effective means of financial assurance, at least once every five years the operator shall update the supporting financial information and the division shall reevaluate whether self-insurance continues to be an equally effective means of financial assurance. If an operator provides financial information to the division under this section that is not otherwise publicly available, the division shall maintain the information as confidential.

(g) (1) Any two or more operators may elect to enter into a liability sharing agreement.

(2) Operators that elect to participate in a liability sharing agreement shall be jointly and severally liable for all amounts owed under this chapter by all other operators that participate in the liability sharing agreement.

(3) The division shall treat all operators that participate in a liability sharing agreement as a single operator when requiring additional security under this section, except that the additional security required by the division shall not exceed the lesser of the division's estimation of the reasonable costs of plugging and abandoning all of the participating operators' wells and decommissioning any attendant production facilities in accordance with Section 3208, or thirty million dollars (\$30,000,000).

(4) A liability sharing agreement is formed when all of the participants have provided the division written notice of intent to participate in the liability sharing agreement with express acknowledgment of all other participants in the agreement.

(5) An operator may elect to withdraw from a liability sharing agreement at any time, but all participants in the liability sharing agreement, including the withdrawing participant, shall continue to be jointly and severally liable for all amounts owed under this chapter for a period of five years after the withdrawal.

SEC. 14. Section 3236.5 of the Public Resources Code is amended to read:

3236.5. (a) A person who violates this chapter or a regulation implementing this chapter is, at the supervisor's discretion, subject to a civil penalty as described in subdivision (b) for each violation. An act of God and an act of vandalism beyond the reasonable control of the operator shall not be considered a violation. The civil penalty shall be imposed by an order of the supervisor pursuant to Section 3225 upon a determination that a violation has been committed by the person charged. The imposition of a civil penalty under this section shall be in addition to any other penalty provided by law for the violation. When establishing the amount of the civil penalty pursuant to this section, the supervisor shall consider, in addition to other relevant circumstances, all of the following:

(1) The extent of harm caused by the violation.

(2) The persistence of the violation.

(3) The pervasiveness of the violation.

(4) The number of prior violations by the same violator.

(5) The degree of culpability of the violator.

(6) Any economic benefit to the violator resulting from the violation.

(7) The violator's ability to pay the civil penalty amount, as determined based on information publicly available to the division.

(8) The supervisor's prosecution costs.

(b) (1) (A) For purposes of this section, a "well stimulation violation" is a violation of Article 3 (commencing with Section 3150) or the regulations implementing that article.

(B) The civil penalty amount for a well stimulation violation shall be not less than ten thousand dollars (\$10,000) per day per violation and not more than twenty-five thousand dollars (\$25,000) per day per violation.

(2) (A) For purposes of this section, a "major violation" is a violation that is not a well stimulation violation and that is one or more of the following:

(i) A violation that results in harm to persons or property or presents a significant threat to human health or the environment.

(ii) A knowing, willful, or intentional violation.

(iii) A chronic violation or one that is committed by a recalcitrant violator. In determining whether a violation is chronic or a violator is recalcitrant, the supervisor shall consider whether there is evidence indicating that the violator has engaged in a pattern of neglect or disregard with respect to applicable requirements.

(iv) A violation where the violator derived significant economic benefit, either by significantly reduced costs or a significant competitive advantage.

(B) The civil penalty amount for a major violation shall be not less than two thousand five hundred dollars (\$2,500) per violation and not more than twenty-five thousand dollars (\$25,000) per violation.

(3) (A) For purposes of this section, a "minor violation" is a violation that is neither a well stimulation violation nor a major violation.

(B) The civil penalty amount for a minor violation shall be not more than two thousand five hundred dollars (\$2,500) per violation.

(4) At the supervisor's discretion, each day a major or minor violation continues or is not cured may be treated as a separate violation.

(c) An order of the supervisor imposing a civil penalty shall be reviewable pursuant to Article 6 (commencing with Section 3350). When the order of the supervisor has become final and the penalty has not been paid, the supervisor may apply to the appropriate superior court for an order directing payment of the civil penalty. The supervisor may also seek from the court an order directing that production from the well or use of the production facility that is the subject of the civil penalty order be discontinued until the violation has been remedied to the satisfaction of the supervisor and the civil penalty has been paid.

(d) The supervisor may allow a supplemental environmental project in lieu of a portion of the civil penalty amount. The supplemental environmental project may not be more than 50 percent of the total civil penalty amount. Any amount collected under this section that is not allocated for a supplemental environmental project shall be deposited in the Oil and Gas Environmental Remediation Account, established pursuant to Section 3261.

(e) "Supplemental environmental project" means an environmentally beneficial project that a person, subject to an order of the supervisor imposing a civil penalty, voluntarily agrees to undertake in settlement of the action and to offset a portion of a civil penalty.

SEC. 15. Section 3263 of the Public Resources Code is repealed.

SEC. 16. Section 3705 of the Public Resources Code is amended to read:

3705. "Division," in reference to the government of this state, means the Geologic Energy Management Division in the Department of Conservation.

SEC. 17. Section 6212 of the Public Resources Code is amended to read:

6212. (a) Upon appropriation of moneys by the Legislature for the purposes of this section, the commission shall, within two years, administer a coastal hazard and legacy oil and gas well removal and remediation program to do all of the following:

(1) Complete an assessment of legacy oil and gas wells and other coastal hazards along the California coastline, including conducting aerial surveys and dives, and determining high-priority hazards and legacy oil and gas wells to remediate.

(2) Survey, study, and monitor oil seepage in state waters and tidelands under its jurisdiction to determine oil seepage locations, rates, and environmental impacts, and partner with experts to facilitate innovative solutions.

(3) In cooperation with the Geologic Energy Management Division, begin the process of remediating improperly abandoned legacy oil and gas wells that have a high risk of leaking oil and are hazardous to public health and safety and the environment.

(b) Notwithstanding Section 11005 of the Government Code and any other law requiring approval by a state officer of gifts, bequests, devises, or donations, the commission may seek and accept on behalf of the state any gift, bequest, devise, or donation whenever the gift and the terms and conditions thereof will aid in actions undertaken pursuant to subdivision (a).

(c) (1) On or before January 1 of each year, until January 1, 2026, the commission shall submit a report to the Legislature, in compliance with Section 9795 of the Government Code, on the activities and accomplishments of the program for the prior year. The commission may include this information in the annual report it submits pursuant to Section 8618.

(2) (A) On or before January 1, 2027, the commission shall submit a report to the appropriate policy and fiscal committees in the Legislature, including, at minimum, all of the following:

- (i) The Senate Committee on Natural Resources and Water.
- (ii) The Senate Committee on Environmental Quality.
- (iii) The Senate Committee on Appropriations.
- (iv) The Senate Budget Subcommittee 2 on Resources, Environmental Protection, Energy and Transportation.
- (v) The Assembly Committee on Natural Resources.
- (vi) The Assembly Committee on Appropriations.
- (vii) The Assembly Budget Subcommittee 3 on Resources and Transportation.

(B) The report submitted pursuant to this paragraph shall cover the life of the program and shall include information necessary to aid the Legislature in determining the effectiveness of the coastal hazard and legacy oil and gas well removal and remediation program and the extent to which funding for the program should be reauthorized. At minimum, the report shall include the following information:

- (i) Activities and accomplishments of the program.
- (ii) Implementation challenges and, to the extent available, potential solutions to these challenges.
- (iii) Program expenditures.
- (iv) The amount of any gift, bequest, devise, or donation accepted by the commission on behalf of the state pursuant to subdivision (b), and the name, location, and organization type of the donor. The commission may provide aggregate information for some or all of the donations, if appropriate, as determined by the commission.
- (v) Recommendations on whether the program should be reauthorized, any changes that should be included in the reauthorizing legislation, and activities and priorities for the program after July 1, 2028, if the program is reauthorized.

(d) The commission shall prioritize its activities under this section based on available resources.

(e) For purposes of this section the following definitions apply:

(1) "Coastal hazards" are legacy oil and gas wells and human-made structures that have been orphaned, including piers, jetties, groins, seawalls, and facilities associated with past oil extraction and other operations, that pose a hazard to public health and safety. Coastal hazards may include, but are not limited to, wood or steel piles or piling, sheet metal pilings, H piles and H beams, well casings, well caissons, railroad irons, cables, angle bars, pipes, pipelines, rip rap, and wood beams and structures.

(2) "Legacy oil and gas wells" are wells drilled before current abandonment standards, where there is little or no information on the well's abandonment procedure and there is no viable company with the responsibility to reabandon the well should it start leaking or pose a threat to the environment or to public health and safety.

(f) This section shall become inoperative on July 1, 2028, and, as of January 1, 2029, is repealed.

SEC. 18. Section 25550 of the Public Resources Code is amended to read:

25550. For purposes of this chapter, the following definitions apply:

(a) "Buyer of natural gas" means a gas corporation, local publicly owned gas utility, noncore gas customer, or core transport agent.

(b) "Core transport agent" has the same meaning as set forth in subdivision (b) of Section 980 of the Public Utilities Code.

(c) "Division" means the Geologic Energy Management Division.

(d) "Gas corporation" has the same meaning as set forth in Section 222 of the Public Utilities Code.

(e) "Natural gas infrastructure" means a natural gas facility used for the production, gathering and boosting, processing, transmission, storage, or distribution necessary for the delivery of natural gas to end-use customers in California.

(f) "Noncore gas customer" means an entity that procures directly from natural gas producers or natural gas marketers and is not a gas corporation or local publicly owned gas utility.

(g) "Procure" means to acquire through ownership or contract.

(h) "Tracking" means using a system that communicates the pathway of a given volume of natural gas from its initial production to its delivery to end-use customers in this state.

SEC. 19. Section 30262 of the Public Resources Code is amended to read:

30262. (a) Oil and gas development shall be permitted in accordance with Section 30260, if the following conditions are met:

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

(2) New or expanded facilities 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) Environmentally safe and feasible subsea completions are used if drilling platforms or islands would substantially degrade coastal visual qualities, unless the use of those structures will result in substantially less environmental risks.

(4) Platforms or islands will not be sited where a substantial hazard to vessel traffic might result from the facility or related operations, as determined in consultation with the United States Coast Guard and the Army Corps of Engineers.

(5) 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.

(6) With respect to new facilities, 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 Ocean Waters Discharge Plan of the State Water Resources Control Board and where adequate provision is made for the elimination of petroleum odors and water quality problems.

(7) (A) All oil produced offshore California shall be transported onshore by pipeline only. The pipelines used to transport this oil shall utilize 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.

(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 island, 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, 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.

(8) 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.

(9) 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) 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.

(c) Nothing in this section shall affect the activities of any state agency that is responsible for regulating the extraction, production, or transport of oil and gas.

SEC. 20. Section 30404 of the Public Resources Code is amended to read:

30404. (a) The Natural Resources Agency shall periodically, in the case of the State Energy Resources Conservation and Development Commission, the State Board of Forestry and Fire Protection, the State Water Resources Control Board and the California regional water quality control boards, the State Air Resources Board and air pollution control districts and air quality management districts, the Department of Fish and Game, the Department of Parks and Recreation, the California Geological Survey and the Geologic Energy Management Division in the Department of Conservation, and the State Lands Commission, and may, with respect to any other state agency, submit recommendations designed to encourage the state agency to carry out its functions in a manner consistent with this division. The recommendations may include proposed changes in administrative regulations, rules, and statutes.

(b) This section shall become operative on July 1, 2013.

SEC. 21. Section 309 of the Public Utilities Code is amended to read:

309. (a) The executive director may employ such officers, administrative law judges, experts, engineers, statisticians, accountants, inspectors, clerks, and employees as the executive director deems necessary to carry out the provisions of this part or to perform the duties and exercise the powers conferred upon the commission by law. All officers and employees shall receive such compensation as is fixed by the commission.

(b) The executive director may authorize commission employees to undertake temporary training and development assignments with other agencies, departments, and commissions that undertake coordinated activities with the commission, including the Energy Commission, the State Air Resources Board, and the Geologic Energy Management Division.

SEC. 22. Section 714 of the Public Utilities Code is amended to read:

714. (a) The commission, no later than July 1, 2017, shall open a proceeding to determine the feasibility of minimizing or eliminating use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region. This determination shall be consistent with the Clean Energy and Pollution Reduction Act of 2015 (Chapter 547 of the Statutes of 2015) and Executive Order B-30-2015. The commission shall consult with the Energy Commission, the Independent System Operator, the local publicly owned utilities that rely on natural gas for electricity generation, the Geologic Energy Management Division in the Department of Conservation, affected balancing authorities, and other relevant government entities, in making its determination.

(b) This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

SEC. 23. Section 10783 of the Water Code is amended to read:

10783. (a) The Legislature finds and declares that protecting the state's groundwater for beneficial use, particularly sources and potential sources of drinking water, is of paramount concern.

(b) The Legislature further finds and declares that strategic, scientifically based groundwater monitoring of the state's oil and gas fields is critical to allaying the public's concerns regarding well stimulation treatments of oil and gas wells.

(c) On or before July 1, 2015, in order to assess the potential effects of well stimulation treatments, as defined in Article 3 (commencing with Section 3150) of Chapter 1 of Division 3 of the Public Resources Code, on the state's groundwater resources in a systematic way, the state board shall develop model groundwater monitoring criteria, to be implemented either on a well-by-well basis for a well subject to well stimulation treatment or on a regional scale. The model criteria shall address a range of spatial sampling scales from methods for conducting appropriate monitoring on individual oil and gas wells subject to a well stimulation treatment, to methods for conducting a regional groundwater monitoring program. The state board shall take into consideration the recommendations received pursuant to subdivision (d) and shall include in the model criteria, at a minimum, the components identified in subdivision (f). The state board shall prioritize monitoring of groundwater that is or has the potential to be a source of drinking water, but shall protect all waters designated for any beneficial use.

(d) The state board, in consultation with the Department of Conservation, Geologic Energy Management Division, shall seek the advice of experts on the design of the model groundwater monitoring criteria. The experts shall assess and make recommendations to the state board on the model criteria. These recommendations shall prioritize implementation of regional groundwater monitoring programs statewide, as warranted, based upon the prevalence of well stimulation treatments of oil and gas wells and groundwater suitable as a source of drinking water.

(e) The state board shall also seek the advice of stakeholders representing the diverse interests of the oil- and gas-producing areas of the state. The stakeholders shall include the oil and gas industry, agriculture, environmental justice, and local government, among others, with regional representation commensurate with the intensity of oil and gas development in that area. The stakeholders shall also make recommendations to the state board regarding the development and implementation of groundwater monitoring criteria, including priority locations for implementation.

(f) The scope and nature of the model groundwater monitoring criteria shall include the determination of all of the following:

(1) An assessment of the areas to conduct groundwater quality monitoring and their appropriate boundaries.

(2) A list of the constituents to measure and assess water quality.

(3) The location, depth, and number of monitoring wells necessary to detect groundwater contamination at spatial scales ranging from an individual oil and gas well to a regional groundwater basin including one or more oil and gas fields.

(4) The frequency and duration of the monitoring.

(5) A threshold criteria indicating a transition from well-by-well monitoring to a regional monitoring program.

(6) Data collection and reporting protocols.

(7) Public access to the collected data under paragraph (6).

(g) Factors to consider in addressing subdivision (f) shall include, but are not limited to, all of the following:

(1) The existing quality and existing and potential use of the groundwater.

(2) Groundwater that is not a source of drinking water consistent with the United States Environmental Protection Agency's definition of an Underground Source of Drinking Water as containing less than 10,000 milligrams per liter total dissolved solids in groundwater (40 C.F.R. 144.3), including exempt aquifers pursuant to Section 146.4 of Title 40 of the Code of Federal Regulations.

(3) Proximity to human population, public water service wells, and private groundwater use, if known.

(4) The presence of existing oil and gas production fields, including the distribution, physical attributes, and operational status of oil and gas wells therein.

(5) Events, including well stimulation treatments and oil and gas well failures, among others, that have the potential to contaminate groundwater, appropriate monitoring to evaluate whether groundwater contamination can be attributable to a particular event, and any monitoring changes necessary if groundwater contamination is observed.

(h) (1) On or before January 1, 2016, the state board or appropriate regional board shall begin implementation of the regional groundwater monitoring programs based upon the model criteria developed under subdivision (c).

(2) In the absence of state implementation of a regional groundwater monitoring program, a well owner or operator may develop and implement an area-specific groundwater monitoring program, for the purpose of subparagraph (D) of paragraph (3) of subdivision (d) of Section 3160 of the Public Resources Code, based upon the model criteria developed under subdivision (c), subject to approval by the state or regional board, and that meets the requirements of this section.

(i) The model criteria for either a well-by-well basis for a well subject to well stimulation treatment, or for a regional groundwater monitoring program, shall be used to satisfy the permitting requirements for well stimulation treatments on oil and gas wells pursuant to Section 3160 of the Public Resources Code. The model criteria used on a well-by-well basis for a well subject to a well stimulation treatment shall be used where no regional groundwater monitoring plan approved by the state or regional board, if applicable, exists and has been implemented by either the state or regional board or the well owner or operator.

(j) The model criteria shall accommodate monitoring where surface access is limited. Monitoring is not required for oil and gas wells where the wells do not penetrate groundwater of beneficial use, as determined by a regional water quality control board, or solely penetrate exempt aquifers pursuant to Section 146.4 of Title 40 of the Code of Federal Regulations.

(k) (1) The model criteria and groundwater monitoring programs shall be reviewed and updated periodically, as needed.

(2) The use of the United States Environmental Protection Agency's definition of an Underground Source of Drinking Water as containing less than 10,000 milligrams per liter total dissolved solids in groundwater (40 C.F.R. 144.3) and whether exempt aquifers pursuant to Section 146.4 of Title 40 of the Code of Federal Regulations shall be subject to groundwater monitoring shall be reviewed by the state board through a public process on or before January 1, 2020.

(l) (1) All groundwater quality data collected pursuant to subparagraph (F) of paragraph (1) of subdivision (d) of Section 3160 of the Public Resources Code shall be submitted to the state board in an electronic format that is compatible with the state board's GeoTracker database, following the guidelines detailed in Chapter 30 (commencing with Section 3890) of Division 3 of Title 23 of the California Code of Regulations.

(2) A copy of the reported data under paragraph (1) shall be transferred by the state board to a public, nonprofit doctoral-degree-granting educational institution located in the San Joaquin Valley, administered pursuant to Section 9 of Article IX of the California Constitution, in order to form the basis of a comprehensive groundwater quality data repository to promote research, foster interinstitutional collaboration, and seek understanding of the numerous factors influencing the state's groundwater.

(m) The adoption of criteria required pursuant to this section is exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of criteria pursuant to this section shall instead be accomplished by means of a public process reasonably calculated to give those persons interested in their adoption an opportunity to be heard.

SEC. 24. Section 13267.5 of the Water Code is amended to read:

13267.5. (a) In conducting an investigation pursuant to Section 13267 that includes collection of information about discharge of wastewater produced from an oil or gas field, a regional board or the state board may require that the applicable person or entity shall furnish to that board information relating to all chemicals in the discharged wastewater pursuant to the procedures set forth in subdivision (b) of Section 13267.

(b) If a person or entity subject to the disclosure requirement in subdivision (a) is unable to obtain information about a chemical from the chemical's supplier for any reason, including, but not limited to, assertion by the supplier of trade secret protections, the regional board or state board may require that the supplier shall furnish that information to that board pursuant to the procedures set forth in subdivision (b) of Section 13267.

(c) The trade secret protections of subdivision (b) of Section 13267 shall apply to information disclosed pursuant to subdivision (a) or (b) when requested by a person or entity or a supplier, as applicable.

(d) Except as provided in subdivision (c), the information collected by a regional board or the state board pursuant to this section shall be made available to the public on the internet website of the regional board or the state board.

(e) In collecting information described in this section, a regional board or the state board may consult with the Geologic Energy Management Division regarding information collected by the division, pursuant to other disclosure requirements, that may be useful to the investigation.

SEC. 25. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only 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.

