

SoCalGas-101

**Cal. Pub. Res. Code §§ 3008, 3106, 3180, 3181, 3315, 3320, 3316.2,
3403.5**

I.19-06-016

ALJs: Hecht/Poirier

Date Served: March 15, 2021

West's Annotated California Codes Public Resources Code (Refs & Annos) Division 3. Oil and Gas (Refs & Annos)
Chapter 1. Oil and Gas Conservation (Refs & Annos) Article 1. Definitions and General Provisions (Refs & Annos)

West's Ann.Cal.Pub.Res.Code § 3008

§ 3008. Well; prospect well or exploratory well; active observation well; idle well; long-term idle well

Effective: January 1, 2018

Currentness

(a) "Well" means any oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas; any well drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery, repressuring or pressure maintenance of oil or gas reservoirs, or disposing of waste fluids from an oil or gas field; any well used to inject or withdraw gas from an underground storage facility; or any well drilled within or adjacent to an oil or gas pool for the purpose of obtaining water to be used in production stimulation or repressuring operations.

(b) "Prospect well" or "exploratory well" means any well drilled to extend a field or explore a new, potentially productive reservoir.

(c) "Active observation well" means a well being used for the sole purpose of gathering reservoir data, such as pressure or temperature in a reservoir being currently produced or injected by the operator. For a well to be an active observation well, the operator shall demonstrate to the division's satisfaction that the well fulfills a need for gathering reservoir data, and the operator shall provide the division with a summary report of the type of data collected at least annually or as requested by the division.

(d) "Idle well" means any well that for a period of 24 consecutive months has not either produced oil or natural gas, produced water to be used in production stimulation, or been used for enhanced oil recovery, reservoir pressure management, or injection. For the purpose of determining whether a well is an idle well, production or injection is subject to verification by the division. An idle well continues to be an idle well until it has been properly abandoned in accordance with Section 3208 or it has been shown to the division's satisfaction that, since the well became an idle well, the well has for a continuous six-month period either maintained production of oil or natural gas, maintained production of water used in production stimulation, or been used for enhanced oil recovery, reservoir pressure management, or injection. An idle well does not include an active observation well.

(e) "Long-term idle well" means any well that has been an idle well for eight or more years.

Credits

(Stats.1939, c. 93, p. 1110, § 3008. Amended by Stats.1972, c. 898, p. 1594, § 1; Stats.1975, c. 1255, p. 3287, § 1; Stats.1976, c. 793, p. 1836, § 1; Stats.1984, c. 682, § 1; Stats.1998, c. 1068 (S.B.1763), § 1; Stats.2016, c. 272 (A.B.2729), § 1, eff. Jan. 1, 2017; Stats.2017, c. 521 (S.B.809), § 51, eff. Jan. 1, 2018.)

West's Ann. Cal. Pub. Res. Code § 3008, CA PUB RES § 3008

Current with all laws through Ch. 870 of 2019 Reg.Sess.

KeyCite Yellow Flag - Negative Treatment
Proposed Legislation

West's Annotated California Codes Public Resources Code (Refs & Annos) Division 3. Oil and Gas (Refs & Annos)
Chapter 1. Oil and Gas Conservation (Refs & Annos) Article 2. Administration (Refs & Annos)

West's Ann.Cal.Pub.Res.Code § 3106

§ 3106. Supervision of wells and oil production tanks and facilities; prevention of waste and damage; recovery operations; monitoring programs; development of oil and gas resources

Currentness

(a) The supervisor shall so supervise the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production, including pipelines not subject to regulation pursuant to Chapter 5.5 (commencing with Section 51010) of Part 1 of Division 1 of Title 5 of the Government Code that are within an oil and gas field, so as to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil and gas deposits from infiltrating water and other causes; loss of oil, gas, or reservoir energy, and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances.

(b) The supervisor shall also supervise the drilling, operation, maintenance, and abandonment of wells so as to permit the owners or operators of the wells to utilize all methods and practices known to the oil industry for the purpose of increasing the ultimate recovery of underground hydrocarbons and which, in the opinion of the supervisor, are suitable for this purpose in each proposed case. To further the elimination of waste by increasing the recovery of underground hydrocarbons, it is hereby declared as a policy of this state that the grant in an oil and gas lease or contract to a lessee or operator of the right or power, in substance, to explore for and remove all hydrocarbons from any lands in the state, in the absence of an express provision to the contrary contained in the lease or contract, is deemed to allow the lessee or contractor, or the lessee's or contractor's successors or assigns, to do what a prudent operator using reasonable diligence would do, having in mind the best interests of the lessor, lessee, and the state in producing and removing hydrocarbons, including, but not limited to, the injection of air, gas, water, or other fluids into the productive strata, the application of pressure heat or other means for the reduction of viscosity of the hydrocarbons, the supplying of additional motive force, or the creating of enlarged or new channels for the underground movement of hydrocarbons into production wells, when these methods or processes employed have been approved by the supervisor, except that nothing contained in this section imposes a legal duty upon the lessee or contractor, or the lessee's or contractor's successors or assigns, to conduct these operations.

(c) The supervisor may require an operator to implement a monitoring program, designed to detect releases to the soil and water, including both groundwater and surface water, for aboveground oil production tanks and facilities.

(d) To best meet oil and gas needs in this state, the supervisor shall administer this division so as to encourage the wise development of oil and gas resources.

Credits

(Stats.1939, c. 93, p. 1111, § 3106. Amended by Stats.1957, c. 405, p. 1251, § 7; Stats.1961, c. 2074, p. 4331, § 1; Stats.1970, c. 799, p. 1514, § 1; Stats.1972, c. 898, p. 1595, § 7; Stats.1989, c. 1383, § 2; Stats.1994, c. 523 (A.B.3261), § 3.)

Notes of Decisions (12)

West's Ann. Cal. Pub. Res. Code § 3106, CA PUB RES § 3106

Current with all laws through Ch. 870 of 2019 Reg.Sess.

End of Document

© 2020 Thomson Reuters. No claim to original U.S. Government Works.

West's Annotated California Codes Public Resources Code (Refs & Annos) Division 3. Oil and Gas (Refs & Annos)
Chapter 1. Oil and Gas Conservation (Refs & Annos) Article 3.5. Natural Gas Storage Wells (Refs & Annos)

West's Ann.Cal.Pub.Res.Code § 3180

§ 3180. Gas storage wells; testing

Effective: January 1, 2017

Currentness

(a) As used in this article, "gas storage well" means an active or idle well used primarily to inject natural gas into or withdraw natural gas from an underground natural gas storage facility.

(b) On or before January 1, 2018, the operators of all gas storage wells shall have commenced a mechanical integrity testing regime specified by the division. The testing regime shall include all of the following:

(1) Regular leak testing.

(2) Casing wall thickness inspection.

(3) Pressure test of the production casing.

(4) Any additional testing deemed necessary by the division to demonstrate the integrity of the well.

(c) All anomalies identified in the testing shall be immediately reported to the appropriate district office and explained to the supervisor's satisfaction.

(d)(1) The division shall promulgate regulations that establish standards for the design, construction, and maintenance of all gas storage wells to ensure that integrity concerns with a gas storage well are identified and addressed before they can become a threat to life, health, property, the climate, or natural resources.

(2) The regulations shall require that gas storage wells be designed, constructed, and maintained to ensure that a single point of failure does not pose an immediate threat of loss of control of fluids, as determined by the supervisor.

(3) In developing the regulations, the division shall consider enhanced design, construction, and maintenance measures that could meet the standard in paragraph (2), including any of the following:

(A) Primary and secondary mechanical well barriers to isolate the storage gas within the storage reservoir and transfer storage gas from the surface into and out of the storage reservoir.

- (B) Production casing to the surface with the required integrity to contain reservoir pressure.
 - (C) Tubing and packer and production tree with the required integrity to contain reservoir pressure.
 - (D) Surface controlled subsurface safety valves or Christmas tree valves with the required integrity to contain reservoir pressure that halt flow through the well.
 - (E) Secondary barrier with overlapping cement casing between two concentric casings with good quality cement bond.
 - (F) Wellhead with annular valves and seals and the required integrity to contain reservoir pressure.
 - (G) Casing with a hanger and seal assembly.
 - (H) Any other well construction requirements the supervisor determines would improve the protection of public health, safety, the environment, and natural resources.
- (4) In developing the regulations, the division shall develop a schedule for ongoing mechanical integrity testing.
- (e) In order to facilitate consistency, standardization, and training for site inspection and maintenance, to the extent that the regulations promulgated by the division pursuant to subdivision (d) address surface equipment associated with an underground gas storage facility, the division shall ensure that those regulations are consistent with comparable requirements in Parts 190 to 199, inclusive, of Title 49 of the Code of Federal Regulations.

Credits

(Added by Stats.2016, c. 673 (S.B.887), § 3, eff. Jan. 1, 2017.)

West's Ann. Cal. Pub. Res. Code § 3180, CA PUB RES § 3180
Current with all laws through Ch. 870 of 2019 Reg.Sess.

West's Annotated California Codes Public Resources Code (Refs & Annos) Division 3. Oil and Gas (Refs & Annos)
Chapter 1. Oil and Gas Conservation (Refs & Annos) Article 3.5. Natural Gas Storage Wells (Refs & Annos)

West's Ann.Cal.Pub.Res.Code § 3181

§ 3181. Materials for supervisor's approval

Effective: January 1, 2017

Currentness

(a) The operator of a gas storage well shall submit for the supervisor's approval the following materials:

(1) Data describing the gas storage project and gas storage wells that demonstrate that stored gas will be confined to the approved zone or zones. Updated data shall be provided to the division if conditions change or if more accurate data become available.

(2) A risk management plan to identify and plan for mitigation of all threats and hazards and potential threats and hazards associated with gas storage well operation in order to ensure internal and external mechanical integrity of a well, including site-specific information. The risk management plan shall provide for regular review and revision, as needed, to ensure the plan appropriately reflects current conditions. The risk management plan shall include, but is not limited to, all of the following:

(A) A natural gas leak prevention and response program that addresses the full range of natural gas leaks possible at the facility with specific response plans that provide for immediate control of the leak. The operator shall consult with local emergency response entities on the response plans. The prevention and response program shall include, but is not limited to, all of the following:

(i) A protocol for public notice of a large, uncontrollable leak to any potentially impacted community, as defined in the risk management plan, if the leak cannot be controlled within 48 hours of discovery by the operator.

(ii) Prepositioning, as feasible, and identification of materials and personnel necessary to respond to leaks. This shall include materials and equipment to respond to and stop the leak itself as well as to protect public health.

(iii) The identification of personnel responsible for notifying regulatory authorities with jurisdiction over the range of leaks possible.

(B) A plan for corrosion monitoring and evaluation.

(C) A schedule for regular well and reservoir integrity assessments.

(D) An assessment of the risks associated with the gas storage well and its operation.

(E) Planned risk mitigation efforts.

(F) A regular maintenance program for the well and the portion of the facility within the division's jurisdiction. The maintenance program shall include training for site personnel and proactive replacement of equipment at risk of failure to ensure safe operation.

(3) In addition to other factors deemed relevant by the supervisor, the risk management plan required in paragraph (2) shall consider all of the following:

(A) The facility's distance from dwellings, other buildings intended for human occupancy, or other well-defined outside areas where people may assemble such as campgrounds, recreational areas, or playgrounds.

(B) The risks to and from the well related to roadways, rights of way, railways, airports, and industrial facilities.

(C) Proximity to environmentally or culturally sensitive areas.

(D) The risks of well sabotage.

(E) The current and predicted development of the surrounding area.

(F) Topography and local wind patterns.

(b) All of the materials described in subdivision (a) shall be reported to the division according to a schedule approved by the supervisor. The operator shall not deviate from the programs, plans, and other conditions and protocols contained in the materials without prior written approval by the supervisor.

Credits

(Added by Stats.2016, c. 673 (S.B.887), § 3, eff. Jan. 1, 2017.)

West's Ann. Cal. Pub. Res. Code § 3181, CA PUB RES § 3181
Current with all laws through Ch. 870 of 2019 Reg.Sess.

West's Annotated California Codes Public Resources Code (Refs & Annos) Division 3. Oil and Gas (Refs & Annos)
Chapter 1. Oil and Gas Conservation (Refs & Annos) Article 5.5. Subsidence (Refs & Annos)

West's Ann.Cal.Pub.Res.Code § 3315

§ 3315. Legislative finding and determination

Currentness

It is hereby found and determined:

(a) That the people of the State of California have a direct and primary interest in arresting and ameliorating the subsidence and compaction of land in those areas overlying or immediately adjacent to producing oil or gas pools within the State where valuable buildings, harbor installations and other improvements are being injured or imperiled or where subsidence is interfering or may interfere with commerce, navigation and fishery, or where substantial portions of such areas may be inundated if subsidence continues, thereby endangering life, health, safety, public peace, welfare and property;

(b) That in certain of such areas of the State land already has subsided to a great extent and is continuing to subside at an alarming rate, resulting in injury to surface and underground improvements through land movement or the threat of inundation from the sea, necessitating extensive filling and construction of levees and dikes; and requiring the raising, repair and reconstruction of highways, bridges, buildings, utility and transportation facilities, vital national defense installations and other improvements;

(c) That the results of studies by qualified engineers, which have been conducted in certain of such affected areas, indicate that the only feasible method that can be expected to arrest or ameliorate subsidence in such areas is by repressuring subsurface oil and gas formations thereunder and that such repressuring operations, in addition thereto, should increase the amount of oil ultimately recoverable from the formations underlying such areas and protect the oil or gas in such lands from unreasonable waste;

(d) That unit or co-operative operation of such pool or pools in such areas is necessary in order to repressure or maintain pressure in said pool or pools in order to arrest or ameliorate subsidence;

(e) That, in view of the special characteristics of the subsidence problem in such areas, it is necessary, therefore, that the State of California, through authority vested in the State Oil and Gas Supervisor, exercise its power and jurisdiction to require the carrying on of repressuring operations which will tend to arrest or ameliorate subsidence by maintaining or replenishing underground pressures in formations underlying such areas, thereby safeguarding life, health, property, and the public welfare, and to require such co-operative or unit plan or plans as may be necessary for repressuring which tend to arrest or ameliorate subsidence subject to the limitations on the authority of the supervisor contained in this article;

(f) That it is also desirable to encourage the carrying on of voluntary repressuring operations pursuant to voluntary unit or co-operative agreements in order to arrest or ameliorate subsidence, and as a means to that end it is necessary that the power of eminent domain be exercised to acquire the properties of nonconsenting owners of interests in oil and gas under the circumstances and subject to the limitations set forth in this article.

Credits

(Added by Stats.1958, 1st Ex.Sess., c. 73, p. 280, § 1.)

Notes of Decisions (1)

West's Ann. Cal. Pub. Res. Code § 3315, CA PUB RES § 3315

Current with all laws through Ch. 870 of 2019 Reg.Sess.

End of Document

© 2020 Thomson Reuters. No claim to original U.S. Government Works.

West's Annotated California Codes Public Resources Code (Refs & Annos) Division 3. Oil and Gas (Refs & Annos)
Chapter 1. Oil and Gas Conservation (Refs & Annos) Article 5.5. Subsidence (Refs & Annos)

West's Ann.Cal.Pub.Res.Code § 3320

§ 3320. Voluntary repressuring operations in particular pool or pools

Currentness

(a) The policy of conducting voluntary repressuring operations in a pool or pools, or portions thereof, in order to arrest or ameliorate subsidence, or for any other lawful purpose, whether individually or by unit or co-operative agreement, shall be encouraged by the supervisor. Nothing contained in this article shall be deemed to prohibit the supervisor from approving voluntary repressuring operations in any pool or pools, or part thereof, pursuant to this article or any other provision of [Division 3 \(commencing at Section 3000\) of the Public Resources Code](#) prior to adoption of a repressuring plan and specifications under [Section 3319](#) or [3319.1](#), if in his judgment such repressuring operations are not detrimental to the intent and purposes of this article to arrest or ameliorate subsidence, or are not otherwise unlawful. At any time after the adoption of a repressuring plan and specifications therefor, as provided in [Section 3319.1](#), or the adoption of the fieldwide repressuring plan and specifications therefor, as provided in [Section 3319](#), and prior to the issuance of a unit order, the supervisor shall, upon request being made therefor, analyze any such currently conducted repressuring operations, and any proposed plan of repressuring operations to determine whether such operations are or would be in conformity, or could be made to conform, with either of the foregoing adopted repressuring plans and specifications. If the supervisor determines that such existing or proposed repressuring operations do conform, or if he determines that such operations can be made to conform, and the respective party or parties thereto agree to the recommended modifications, he shall approve such voluntary repressuring operations. Upon such approval by the supervisor, the party or parties thereto shall be entitled to continue or proceed with such repressuring operations without specific direction or order from the supervisor, except as provided in subdivision (c) hereof.

The provisions of [Section 6879](#) shall apply to any such voluntary or co-operative agreement which includes tide and submerged lands of the State which have been granted to a city, county, city and county or district by a grant which does not except and reserve to the State all deposits of minerals, including oil and gas, in said lands.

(b) In the event any proposed plan of repressuring operations is not commenced or any proposed unit or co-operative agreement which has been approved by the supervisor, is not executed and operations commenced thereunder by the respective parties thereto within the time specified in the order of the supervisor approving the same, or within any extension thereof granted by the supervisor, for good cause shown, but in no event longer than 90 days from the expiration date specified in the order of approval, the order of the supervisor shall be deemed automatically revoked, without further action, and the supervisor shall take such appropriate action as authorized by this article.

(c) The supervisor shall, at all times, have access to and may inspect all repressuring operations referred to in subdivision (a) hereof for the purpose of determining that performance is being conducted in accordance with the repressuring plan or plans and specifications of work to be done thereunder adopted pursuant to [Section 3319](#) or [3319.1](#), or in accordance with the orders of the supervisor approving repressuring operations, and shall have power to require such operations to conform to the said repressuring plan or plans and specifications of work to be done thereunder adopted by, or orders theretofore made by the supervisor, and to otherwise enforce compliance with this article.

Credits

(Added by Stats.1958, 1st Ex.Sess., c. 73, p. 286, § 1.)

West's Ann. Cal. Pub. Res. Code § 3320, CA PUB RES § 3320
Current with all laws through Ch. 870 of 2019 Reg.Sess.

End of Document

© 2020 Thomson Reuters. No claim to original U.S. Government Works.

West's Annotated California Codes Public Resources Code (Refs & Annos) Division 3. Oil and Gas (Refs & Annos)
Chapter 1. Oil and Gas Conservation (Refs & Annos) Article 5.5. Subsidence (Refs & Annos)

West's Ann.Cal.Pub.Res.Code § 3316.2

§ 3316.2. "Pool" defined

Currentness

"Pool" means an underground reservoir containing, or appearing at the time of determination to contain, a common accumulation of crude petroleum oil or natural gas or both. Each zone of a general structure which is separated from any other zone in the structure is a separate pool.

Credits

(Added by Stats.1958, 1st Ex.Sess., c. 73, p. 281, § 1.)

West's Ann. Cal. Pub. Res. Code § 3316.2, CA PUB RES § 3316.2

Current with all laws through Ch. 870 of 2019 Reg.Sess.

West's Annotated California Codes Public Resources Code (Refs & Annos) Division 3. Oil and Gas (Refs & Annos) Chapter 1. Oil and Gas Conservation (Refs & Annos) Article 7. Assessment and Collection of Charges (Refs & Annos)

West's Ann.Cal.Pub.Res.Code § 3403.5

§ 3403.5. Underground gas storage facilities; charge based on number of wells and gas withdrawn

Effective: January 1, 2017

Currentness

(a) The Legislature finds that there are underground storage facilities for gas that utilize depleted or partially depleted oil or gas reservoirs. Purchased gas, usually from out of state, is injected for storage and withdrawn during peak load periods. The supervisor is required to maintain surveillance over these facilities to ensure that the original reserves are not lost, that drilling of new wells is conducted properly, and that no damage occurs to the environment by reason of injection and withdrawal of gas.

(b) In order to help support the regulatory effort of the supervisor, there shall be imposed an annual charge on operators of underground gas storage facilities to defray the regulatory costs incurred by the state in conducting the activities described in subdivision (a). Each underground gas storage facility operator shall pay a proportionate share of the total regulatory costs projected for each fiscal year based on the field capacity and number of wells for each underground gas storage facility. For each underground gas storage facility, the portion owed by the operator shall be computed by multiplying the operator's field capacity by the number of the operator's wells, and dividing that product by the statewide sum across all underground gas storage facilities of the product of the field capacity of each individual underground gas storage facility multiplied by the number of wells at that facility.

(c) In order to defray the costs of the response effort of the division in the event of a large, uncontrolled release of gas from an underground storage facility that poses a significant present or potential hazard to public health and safety, property, or to the environment, there shall be an additional charge imposed entirely on the operator of the underground storage facility at which the uncontrolled leak or release of gas occurred. The charge shall be in the amount of the total directly associated costs incurred by the division in the previous calendar year in the course of responding to the release, including personnel hours, travel expenses, contracting costs, and any other directly associated costs incurred by the division.

(d) For purposes of this section, the following terms have the following meanings:

(1) "Field capacity" means the total gas storage capacity, including base and working gas capacity, of an underground gas storage facility, in cubic feet.

(2) "Wells" means all wells associated with an underground gas storage facility except those that have been plugged and abandoned pursuant to Section 3208 before the preceding calendar year.

Credits

(Added by Stats.1976, c. 793, p. 1837, § 3. Amended by Stats.1984, c. 278, § 9; Stats.2016, c. 673 (S.B.887), § 4, eff. Jan. 1, 2017.)

West's Ann. Cal. Pub. Res. Code § 3403.5, CA PUB RES § 3403.5
Current with all laws through Ch. 870 of 2019 Reg.Sess.

End of Document

© 2020 Thomson Reuters. No claim to original U.S. Government Works