

Ramirez, Angelica

Public Comment

A-8

**From:** Brian Trautwein <btrautwein@environmentaldefensecenter.org>  
**Sent:** Tuesday, February 22, 2022 4:35 PM  
**To:** sbcob  
**Cc:** Alicia Roessler  
**Subject:** EDC Comments to Santa Barbara County Board of Supervisors re Grand Jury Report on Idle Oil Wells in SB County  
**Attachments:** EDC Letter to SBCBOS re GrandJuryReportIdleOilWells\_Final2022\_02\_22.pdf; FedInfrastructFundingTargetsOrphanWells\_Indy2022\_02\_19.pdf



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Good Afternoon Santa Barbara County Clerk of the Board Staff,

Please find attached (1) EDC's comment letter to the Board of Supervisors regarding the March 1, 2022 Hearing on the Santa Barbara County Grand Jury Report on Idle Oil Wells in Santa Barbara County, and (2) Attachment #1 to EDC's letter.

Thank you,

**BRIAN TRAUTWEIN (he, him, his)**  
Environmental Analyst / Watershed Program Coordinator  
Environmental Defense Center  
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February 22, 2022

Joan Hartmann, Chair  
Santa Barbara County Board of Supervisors  
105 E. Anapamu Street  
Santa Barbara, CA 93101  
By email: [sbcob@co.santa-barbara.ca.us](mailto:sbcob@co.santa-barbara.ca.us)

**Re: Santa Barbara County Grand Jury Report on Idle Oil Wells**

Dear Chair Hartmann and Supervisors:

The Environmental Defense Center (“EDC”) urges the Board to support the 2021 Santa Barbara County Grand Jury findings and recommendations to protect community health and the environment from the adverse effects of idle oil wells onshore. EDC is a nonprofit public interest law firm that protects and enhances the local environment through education, advocacy, and legal action.

Oil development is a dirty and dangerous industry that threatens public health and the environment and is placing humanity at risk due to substantial disruption of Earth’s climate. The Board of Supervisors (“Board”) must protect public welfare and address the insidious threat posed by oil development and the County’s 5,590 idle wells<sup>1</sup> and start transitioning away from fossil fuels, including a just transition for oil workers. EDC requests the Board to: (1) direct staff to implement the Grand Jury’s recommendations; and, (2) prohibit new oil and gas wells in Santa Barbara County, as Los Angeles County did in 2021.<sup>2</sup>

The Board should effectuate the Grand Jury’s four recommendations:

- 1) Instruct the Santa Barbara County Planning and Development Department to identify the health and environmental risks of idle oil wells in the County through an annual report to the Santa Barbara County Board of Supervisors.

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<sup>1</sup> Of the 5,590 idle oil wells, 1,374 had not been plugged and abandoned as of December 31, 2019. Santa Barbara County Grand Jury, *Idle Wells in Santa Barbara County* at 4 (December 2021) (“Grand Jury (2021)”). There are 661 idle wells in Cat Canyon. Kyle Ferrar, MPH, Fracktracker Alliance, *Idle Wells are a Major Risk* Available at <https://www.fracktracker.org/2019/04/idle-wells-are-a-major-risk/> (April 3, 2019) (“Ferrar (2019)”).

<sup>2</sup> Los Angeles County took a similar action last year: <https://www.nbclosangeles.com/news/local/los-angeles-oil-gas-drilling-environment/2807837/>



2) Instruct the Santa Barbara County Planning and Development Department to determine all actual and potential fiscal liabilities related to idle oil wells through an annual report to the Santa Barbara County Board of Supervisors.

3) Instruct the Santa Barbara County Planning and Development Department to maintain an adequate number of trained personnel to staff the Petroleum Unit of its Energy, Minerals and Compliance Division.<sup>3</sup>

4) Instruct the Santa Barbara County Planning and Development Department to enforce compliance with the Santa Barbara County Code Chapter 25 (the “Petroleum Code”) provisions governing removal of oil equipment from idle wells.

Idle oil wells pose significant health and environmental hazards, including oil leaks such as the 2020-21 Toro Canyon Creek oil spill. Idle oil wells also leak methane contributing to climate change.<sup>4</sup> (Attachment 1) They can contaminate groundwater supplies.<sup>5</sup> Idle oil wells often result in soil contamination<sup>6</sup> which can spread oil pollutants in the environment through soil erosion, runoff, rainwater infiltration, and bioaccumulation. Companies use idle oil wells to defer and avoid long-term cost of plugging and soil remediation, perpetuating these problems.<sup>7</sup> When companies go bankrupt, they can leave behind leaking idle wells and associated

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<sup>3</sup> Santa Barbara County Code § 25-7, subd. (a). “The petroleum administrator shall inspect annually and at such other times as necessary each lease site, each tank site, producing well site, idle well site and lease tank site, (including headers and associated pipelines), for the purpose of ascertaining conformity with the minimum standards as set forth in this chapter. To meet the expense of such inspection, the operator shall pay to the petroleum administrator an annual inspection fee to be established by a resolution of the board of supervisors of this county, per well for each active and each idle well.”

[https://library.municode.com/ca/santa\\_barbara\\_county/codes/code\\_of\\_ordinances?nodeId=CH25PECO](https://library.municode.com/ca/santa_barbara_county/codes/code_of_ordinances?nodeId=CH25PECO) Staffing appears insufficient to monitor each idle well annually. Grand Jury (2021) at 4.

<sup>4</sup> Eric D. Lebel, Harmony S. Lu, Lisa Vielstädte, Mary Kang, Peter Banner, Marc L. Fischer, and Robert B. Jackson *Methane Emissions from Abandoned Oil and Gas Wells in California* <https://pubs.acs.org/doi/10.1021/acs.est.0c05279> (2020); See also University of Cincinnati, *Idle wells could be big source of methane releases* Available at <https://www.uc.edu/news/articles/2021/04/inactive-oil-wells-could-be-major-source-of-methane-releases.html#:~:text=Uncapped%2C%20idle%20oil%20wells%20could,by%20the%20University%20of%20Cincinnati.&text=She%20found%20that%20seven%20had,was%206.2%20grams%20per%20hour> (2021); See also Nichola Groom, Reuters, *Special Report: Millions of abandoned oil wells are leaking methane, a climate menace* available at: <https://www.reuters.com/article/us-usa-drilling-abandoned-specialreport/special-report-millions-of-abandoned-oil-wells-are-leaking-methane-a-climate-menace-idUSKBN23N1NL> (June 15, 2020) (“Groom (2020)”).

<sup>5</sup> Ferrar (2019).

<sup>6</sup> Tony Robert Walker and Vanessa Alboiu, Dalhousie University, *Pollution, management and mitigation of idle and orphaned oil and gas wells in Alberta, Canada* *Environmental Monitoring and Assessment* 191(10):611 DOI:10.1007/s10661-019-7780-x (September 2019).

<sup>7</sup> Western Organization of Resource Councils, *Reclaiming Oil and Gas Wells and Addressing Climate Change: State Policy Recommendations*, stating “California Resource Corporation (CRC) filed for bankruptcy in July 2020. At the time CRC owned over 7,800 idle wells and it was estimated that it could cost more than \$1 billion to properly plug these wells.<sup>13</sup> CRC was created, in part, to rid the wells’ previous owner, Occidental Petroleum, of its cleanup liabilities. CRC pays \$3.5 million in idle wells fees to defer more than 385 times that amount in future costs to plug and reclaim these wells.<sup>14</sup>” Available at <https://www.worc.org/media/2021.3-WORC-Reclaiming-Wells-Addressing-Climate-Impacts-v2.pdf> (March 2021).

environmental hazards, leaving local communities to foot the bill for well abandonment and environmental cleanup.<sup>8</sup>

The County retains responsibility to protect the public health and environment from idle oil wells and may have fiscal liability for these effects. The state collects idle well fees from operators lacking Idle Well Management Plans and these fees are placed into the Hazardous and Idle-Deserted Well Abatement Fund to finance the permanent sealing and closure of deserted wells. However, CalGEM only collected \$4.2 million in fees in 2019<sup>9</sup>, which is insufficient. AB 896 and SB 47 were approved by the State legislature in 2021 to strengthen cost recovery by the State<sup>10</sup>, and the Infrastructure Bill will funnel \$61 million to California<sup>11</sup>, but there remains insufficient state funding to address the large number of idle oil wells.<sup>12</sup> Ultimately, when companies go bankrupt, public health is at risk and the County will end up paying for the contamination and environmental damage left behind by these idle wells. Unregulated and unmonitored idles wells pose a significant financial risk to the County that can occur with short notice during any fiscal year. Taking care of this problem now is the only fiscally and environmentally responsible action the County can take.

Safely closing idle oil wells can generate many high-paying jobs for oil field workers, providing a just transition that employs oil field workers while moving our County away from dangerous and polluting oil production.<sup>13</sup> EDC urges the Board to instruct staff to implement the Grand Jury's recommendations regarding idle oil wells and to prohibit new oil and gas wells in Santa Barbara County.

Sincerely,



Alicia Roessler  
Senior Attorney



Brian Trautwein  
Environmental Analyst/  
Watershed Program Director

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<sup>8</sup> Groom (2020) stating, "A school district in Beverly Hills, California, was saddled with a bill of at least \$11 million to plug 19 oil wells on the property of its high school, after a judge in 2017 absolved Venoco LLC - the bankrupt company that had been operating the wells - of any responsibility for clean-up because other creditors took priority. The City of Beverly Hills is contributing another \$11 million to the job."

<sup>9</sup> Grand Jury (2021) at 3.

<sup>10</sup> *Id.*

<sup>11</sup> Rebecca Kasper, Advisor, Congressional & Legislative Affairs, Department of Interior, *Biden Administration Announces \$1.15 Billion for States to Create Jobs Cleaning Up Orphaned Oil and Gas Wells* (January 31, 2022).

<sup>12</sup> Mark Olalde and Ryan Menzies, *The Toxic Legacy of old oil well: California's multibillion dollar problem*, Los Angeles Times co-published with Center for Public Integrity Available at <https://www.latimes.com/projects/california-oil-well-drilling-idle-cleanup/> (February 6, 2020).

<sup>13</sup> Elected Officials to Protect America, California, stating, "Safely closing all orphan, idle, and marginal wells in California will create more than 18,500 jobs over a five-year just transition period. A just transition will employ workers in an industry that is currently shedding jobs, and will help build the clean energy economy of tomorrow by reducing pollution and expanding opportunity for all." Available at <https://californiaelectedofficials.org/wells/> (February 15, 2022).



# Federal Infrastructure Funding Targets Orphan Wells

Santa Barbara County Holds 212 Oil and Gas Wells Abandoned by Greka



*Greka Energy went bankrupt after repeated oil spills, leaving behind 212 orphan wells, which could be remediated by new federal cleanup funding. | Credit: Paul Wellman (file)*

By **Jean Yamamura**

Fri Feb 18, 2022 | 6:00pm

More than 1,000 of the oil and gas wells that dot the rolling hills out in Cat Canyon and the Cuyama and Santa Maria valleys have been left idled by oil and gas producers as their yield or the price of oil fell. Any that prove to be orphaned could qualify for \$61.5 million in new federal funds allocated to California to seal up and shut down abandoned wells.

The U.S. Department of the Interior funding is in the first phase of President Biden's giant infrastructure bill passed in November, with most of the state's 5,356 orphan wells found in Santa Barbara, Kern, Fresno,

Ventura, and Los Angeles counties. Nationwide, \$4.7 billion was allocated for the new program to plug deserted wells for reasons of health and safety, job production, and methane reduction.

Santa Barbara County's Energy Division counts 212 orphan wells in Cat Canyon, said Supervising Planner Errin Briggs, left abandoned after Greka Energy went bankrupt in 2019. The state's count includes three categories of well: orphan, deserted, and potentially deserted. The majority of Santa Barbara's 1,000 wells are deserted, said a spokesperson for the Department of Conservation, which means there's a final plug and abandonment order but the financial resources of the operator is being determined. A potentially deserted well shows evidence there is no responsible operator, such as the nonpayment of idle well fees, and is under review. An orphan well has no responsible operator able to cover the costs of plugging and abandonment.

"Abandoned wells are an environmental hazard," said U.S. Senator Alex Padilla of California in announcing the new program, "leaking harmful methane into the air, polluting drinking water, and accelerating the climate crisis. This is an issue that affects the health of both rural and urban Californians, particularly those living in Los Angeles and Central Valley communities who are forced to live, work, and play next to unplugged oil and gas wells."

The state Geologic Energy Management Division (CalGEM) has started to "update, screen, and prioritize its list of orphan wells, as well as identify sites of key interest to stakeholders," said Jacob Roper with the California Department of Conservation. The average cost has been about \$112,000 per well since 2011, but in some cases it can cost much more. CalGEM planned to "diligently go after every opportunity to recover plugging costs," including bonds posted by the operators, Roper said, and the maximum amount of funding available to the state to properly close orphan wells.

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Sat Feb 19, 2022 | 16:17pm

<https://www.independent.com/2022/02/18/federal-infrastructure-funding-targets-orphan-wells/>