

Grand Jury Report: Idle Oil Wells in Santa Barbara County

Santa Barbara County
Board of Supervisors Hearing
May 24, 2022



Background



- Grand Jury Report filed December 2021
- Responses to the Report's four findings on March 8, 2022
- More analysis and a multi-agency briefing requested



Grand Jury Findings

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1. Petroleum regulatory agencies within the County do not adequately identify and monitor idle oil wells, leaving residents exposed to health and environmental risks.
2. The potential fiscal liabilities associated with idle oil wells in the County are not adequately quantified.
3. Active Compliance staff are currently too few in number to monitor idle oil wells in the County.
4. County Code provisions regarding removal of drilling equipment from idle wells are not always followed, causing visual blight.



Finding 1 - Monitoring – P&D

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- Chapter 25 provides regulatory authority to conduct annual well/facility inspections
- Annual well inspections of active, idle and long-term idle wells
- Observed compliance issues are provided to the operator
- Notice of Violation issued for non-compliance followed by fines if the violation persists



Monitoring – Fire Department

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- Chapter 15 provides the Fire Department regulatory authority to conduct facility inspections
- Facility features inspected include habitable structures, fire suppression equipment, access, defensible space, tanks and/or vessels
- Does not inspect wells
- Responds to oil spills per the SBC Operational Area Oil Spill Contingency Plan to initiate containment activities

Monitoring – Air Pollution Control District



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- Federal Clean Air Act and State Health & Safety Code provide regulatory authority
- All permitted facilities with active, idle, and orphaned wells are inspected
- Conduct inspections in response to complaints
- Staff measure hydrocarbons and hydrogen sulfide; and review equipment, compliance with permit conditions, and records
- Compliance issues are documented with a Notice of Violation and associated monetary penalties



CalGEM - Inspections

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- ❑ All active, idle, deserted and orphaned wells every two years
- ❑ Oversees all plugging and abandonment work
- ❑ Will utilize enforcement tools if necessary including notice of violation, civil penalties and enforcement orders



CalGEM – Idle Well Program

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- Requires operators to enter into Idle Well Management Program with the goal to eliminate idle wells
 - Prepare idle well inventory and evaluation
 - Requires operator to agree to the elimination of long-term idle wells
 - Annual fees and monitoring requirements continue to increase



Findings & Recommendations

Changes to Response

- Findings/Recommendations 1, 2, 3, & 4 – New information, no change to recommendation response

Recommendation 1 - Monitoring

- This Recommendation will not be implemented
 - ▣ Multiple agencies regulate idle wells and/or facilities
 - ▣ Additional oversight that does not exist in neighboring counties.
 - ▣ CalGEM Idle Well Management Program provides incentives to discontinue use of long-term idle wells.

Recommendation 2 – Fiscal Liability



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- This Recommendation will not be implemented
 - CalGEM requires financial assurances for new, or re-worked wells
 - Previous operator may be held financially responsible for orphaned wells
 - CalGEM may undertake abandonment if no prior operator is identified

Recommendation 2 – Fiscal Liability (cont.)



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- ❑ Federal funding designated to orphaned wells in Santa Barbara County
- ❑ Future LRP ordinance amendments
- ❑ CalGEM's financial assurance mechanisms and State/Federal funding ensure orphaned wells are properly addressed

Recommendation 3 – Inadequate Staffing



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- This Recommendation will not be implemented
 - Two full-time Petroleum inspectors and one part-time Supervisor
 - One other Energy Division staff person is trained to assist with well inspections
 - Inspections conducted by the Petroleum Unit, in conjunction with Fire and APCD, ensure wells are monitored appropriately

Recommendation 4 – Removal of Idle Equipment



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- ❑ This Recommendation will not be implemented
 - ❑ Chapter 25 requires idle equipment be maintained or moved to designated storage area
 - ❑ Petroleum Unit annual inspections include a visual assessment of the active and idle well sites
 - ❑ Failure to comply will result in further enforcement actions

Summary

- New information added to four Grand Jury responses to recommendations
- Potential Actions
 - P&D post inspection reports on website
 - Chapter 25 to be amended per BOS direction, additional direction when LRP returns with scope of work
- Deadline to submit revised responses - June 20, 2022



Board of Supervisors Actions

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- Receive and file a report of further analysis related to the 2021 Grand Jury report entitled “Idle Oil Wells in Santa Barbara County,” Recommendations 1 through 4
- Authorize the Chair to sign a letter and forward the letter and responses to the Presiding Judge of Santa Barbara County Superior Court updating the Grand Jury on the further analysis
- Determine pursuant to CEQA Guidelines 15378(b)(5) that the above action is not a project subject to CEQA review