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**BOARD OF SUPERVISORS
COUNTY OF VENTURA**

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November 10, 2020

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Recommendation of Supervisors Bennett and Parks to Direct the Resource Management Agency to Return To the Board by June 2021 with Zoning Ordinance Amendments to Limit Discretionary Permits for Oil and Gas Operations to Fifteen Years, to Increase the Amount of the Compliance/Site Restoration Surety, and to Incorporate Measures to Assure the Timely Permanent Plugging and Restoration of Wells that Have Been Idle for Fifteen Years or More

RECOMMENDED ACTIONS:

Direct the Resource Management Agency to return to the Board by June 2021 with Coastal and Non-Coastal Zoning Ordinance Amendments to:

- A) Limit discretionary permits for oil and gas operations to fifteen years in duration, except for reclamation activities;
- B) Increase the amount of the oil & gas permit compliance/site restoration surety;
- C) Incorporate measures to assure timely permanent plugging and restoration of wells that have been idle for fifteen years or more.

DISCUSSION:

On September 15th, our Board approved the General Plan Update (GPU) including a Climate Action Plan calling for reductions in greenhouse gas (GHG) emissions. Our Board also recently appointed a Climate Emergency Council to further GHG reduction beyond the measures specified in the GPU.

County of Ventura Planning Commission Hearing PL21-0099 and PL21-0100 Exhibit 2 - November 10, 2020 Board Letter

Recent extreme weather events and firestorms have increased the public's interest in addressing climate change locally. While in the press, a series of investigative articles in the Los Angeles Times identified idle or abandoned oil wells as a multi-billion-dollar problem in California and a source of GHG emissions. Locally, oil production facilities near Oxnard and at Rincon Island have been abandoned and will cost the State millions of dollars to remediate. Ventura County contains a very large number of aging and idle oil wells and infrastructure, some of which have resulted in leaks, and nearly all of which will eventually need to be removed, properly plugged/remediated, and sites restored as oil and gas production declines in the future. Neither State nor County government has a clear plan, timeline, and funding mechanism to adequately assure the reclamation of all oil sites and infrastructure.

Global, State, and national consumption of oil have all declined dramatically in 2020. The economic downturn and low oil prices will likely add to the number of idle wells in the future. On September 23rd, Governor Newsom issued an Executive Order banning the sales of internal combustion vehicles by year 2035. The County of Ventura, through the 2040 General Plan and other policies, plans, and actions is pursuing alternatives to petroleum-fueled vehicles and encouraging alternative transportation through transit and active transportation, and similar efforts are being carried out by other local and state governments.

Between declining oil consumption and adopted programs of GHG emissions reduction and alternative transportation, there is uncertainty as to the long-term need for expanded oil and gas production in Ventura County.

Fifteen-Year Discretionary Permit Limit

County government currently has no policy on the length of time for discretionary oil and gas permits. Projects that have come before our Board have ranged from twenty to thirty years as approved or recommended permit time periods. As we know, discretionary permits can be extended with a straight-forward permit process. However, the modification or revocation of discretionary permits is sufficiently problematic as to be nearly prohibitive.

With the uncertainty over the long-term need for expansion of oil and gas production, the prospect of substantial need for site remediation and reclamation without highly reliable assurance of timely success, and the relative ease of permit extension compared to permit modification, it is appropriate that our Board establish a policy of limiting new discretionary oil and gas facility/operations to a fifteen year time period, with the exception of permits for reclamation activities.

A shorter permit period enables the County to have greater control over the operation and disposition of facilities, greater ability to address any identified shortcomings or previously unknown or unconsidered issues, greater ability to apply new conditions as future conditions warrant, and greater ability to address the remediation of any portions of the permit site no longer in active use. In cases where an applicant is interested in a large-scale, long-term production proposal, the applicant could either phase the development and apply for discretionary permits as the project is built-out over time, or apply for permit extensions or expansions.

Increasing the Amount of the Oil & Gas Permit Compliance-Site Restoration Surety

The Non-Coastal Zoning Ordinance, in the Oil Development Standards section, provides for a performance/penal surety for oil and gas operations as follows:

“...a bond or other security in the penal amount of not less than \$10,000.00 for each well that is drilled or to be drilled. Any operator may, in lieu of filing such a security for each well drilled, redrilled, produced or maintained, file a security in the penal amount of not less than \$10,000.00 to cover all operations conducted in the County of Ventura,...”

This section appears to not have been amended to increase the surety amount since adoption of the section in the 1980's. Clearly, the \$10,000 figure is no longer an adequate amount to address non-compliance or site restoration, and should be appropriately increased to cover both instances of permit or ordinance non-compliance, and site restoration upon termination of the operation(s) or permit.

Measures to Address Plugging and Restoration of Long-Idle Wells

On May 3, 2016 our Board voted to support State action to require the permanent plugging and remediation of oil and gas wells that have been idle for an extended period. Planning staff had advised that a fifteen-year period encompassed multiple oil price cycles, and wells that remained idle longer were unlikely to be operated in the future and should be permanently and properly plugged and site restored.

Uncapped idle and abandoned wells, left unattended, can leak oil contaminants into aquifers, waterways, contaminate soil and pollute the air, posing public health and safety concerns to our communities in the forms of spills, emissions, or explosions.

Such wells can also cause safety issues as attractive nuisances when they are not secured. Leaking GHG also undermine statewide GHG reduction efforts. It is appropriate that our Board establish a policy requiring applicants seeking new or

renewed permits for oil wells to submit a viable mitigation plan for addressing their existing uncapped long-idle or abandoned wells in Ventura County.

Well remediation is an important part of a just transition to a clean, renewable energy economy. We must protect taxpayers by requiring operators to meet their legal obligation to properly remediate their long-idle wells before the risk of financial insolvency is too great. The toxic burden from carelessly abandoned oil and gas wells by financially insolvent or negligent operators should not become a burden to taxpayers. An applicant's viable mitigation plans for capping their long-idle wells in Ventura County should be part of the consideration for determining an applicant's new or extended discretionary permits.

This information will inform decisionmakers of the performance of applicants to meet environmental safeguards and can be used to condition new permits to ensure compliance. The submitted mitigation plans must be viable and include but not be limited to an inventory of such wells in Ventura County that are owned by the applicant and their affiliates, cost estimates for the remediation, and a schedule for their proper plugging and restoration, recognizing that oversight of the actual well work falls under State authority.

Adoption of the recommended actions will further the implementation of the GPU and Climate Action Plan and County and State GHG reduction goals, and enhance protection of communities, resources, and the environment.

Cordially,



Steve Bennett
Supervisor, First District



Linda Parks
Supervisor, Second District