

Exhibit 8

County Letter to CalGem

County of Ventura
Planning Commission Hearing
Case Nos. PL21-0099 and PL21-0100
Exhibit 8 - Ventura County Letter to CalGEM - December 2, 2022



December 1, 2022

Sent via email

Ms. Ibukun Ajayi
Senior Oil and Gas Engineer
California Department of Conservation, Geologic Energy Management Division
1000 South Hill Road, Suite 116
Ventura, CA 93003-4458

SUBJECT: Confirmation of funds available for state-funded well abandonment

Dear Mr. Ajayi,

Thank you for meeting with Ventura County staff last month to discuss our proposal to modify County ordinances to address certain oil and gas-related provisions. As we discussed, the Ventura County Board of Supervisors directed the Resource Management Agency's Planning Division to draft amendments to the Non-Coastal Zoning Ordinance and the Coastal Zoning Ordinance addressing three topic areas:

- (1) Limit new discretionary permits for oil and gas operations to 15 years;
- (2) Increase the amount of compliance/site restoration surety and insurance from what is currently required by County ordinance; and
- (3) Incorporate measures to assure the timely permanent plugging and restoration of oil and gas wells that have been idle for 15 years or more.

As part of the project, staff has researched the status of funds available for state-funded well abandonment in those cases where no viable operator can be found. By way of this letter, the County is requesting that CalGEM review the information presented below and confirm that it accurately reflects the status of available state funding for orphan well abandonment. Alternatively, if there is information not reflected in this summary, County staff would greatly appreciate any updated information CalGEM could provide.

A recent review of CalGEM's website¹ describes four sources of funds and summarizes the amounts currently in those funds.

- (1) The Oil, Gas, and Geothermal Administrative Fund (OGGA) is funded by operator assessment fees. Expenditures from this fund to plug and abandon wells are capped at \$5 million per year.

¹ <https://www.conservation.ca.gov/calgem/Pages/State-Abandonments.aspx> (accessed 12/1/22)

(2) The Hazardous and Idle-Deserted Well Abatement Fund (HIDWAF) is **funded by operator idle well fees** and continuously appropriated to CalGEM to plug and abandon wells to mitigate a hazardous or potentially hazardous condition. Based on information provided by CalGEM in April 2022, the total balance in this fund is approximately, \$8 million.

(3) For fiscal years 2022/2023 and 2023/2024, the California state legislature appropriated \$50 million from the state's General Fund (\$100 million total) to plug and abandon orphan and deserted wells.

(4) In August 2022, California was awarded \$25 million in initial grant funding from the federal government's orphan well program authorized by the Infrastructure Investment and Jobs Act. Although California may be eligible for additional federal grants in the future, the County understands that these additional monies have not yet been allocated.

As noted above, the County is requesting written confirmation from CalGEM that this summary accurately reflects the status of funds available for state-funded well abandonment in those cases where no viable operator can be found. We are kindly requesting a response by December 30, 2022.

Thank you again for meeting with us and please let me know if you have any questions. I can be reached at (805) 654-2481.

Sincerely,



Dave Ward
Planning Director

c: David Ortiz, CalGEM
Bruce Weihs, CalGEM
Shelley Sussman, Ventura County Planning Division