

AMENDED IN SENATE MAY 24, 2013

AMENDED IN SENATE MAY 7, 2013

AMENDED IN SENATE APRIL 24, 2013

AMENDED IN SENATE MARCH 11, 2013

SENATE BILL

No. 4

Introduced by Senator Pavley
(Coauthors: Senators De León, Leno, and Monning)
(Coauthor: Assembly Member Stone)

December 3, 2012

An act to amend Sections 3213, 3215, 3236.5, and 3401 of, and to add Article 3 (commencing with Section 3150) to Chapter 1 of Division 3 of, the Public Resources Code, relating to oil and gas.

LEGISLATIVE COUNSEL'S DIGEST

SB 4, as amended, Pavley. Oil and gas: hydraulic fracturing.

(1) Under existing law, the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation, or the division, regulates the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. The State Oil and Gas Supervisor, or supervisor, supervises the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities related to oil and gas production within an oil and gas field regarding safety and environmental damage. Existing law requires an operator of a well, before commencing the work of drilling the well, to obtain approval from the supervisor or district deputy. Existing law requires the operator of a well to keep, or cause to be kept, a careful and accurate log, core record, and history of the drilling of the well. Within 60 days after the date of cessation of drilling, rework, or

abandonment operations, the owner or operator is required to file with the district deputy certain information, including the history of work performed. Under existing law, a person who violates any prohibition specific to the regulation of oil or gas operations is guilty of a misdemeanor.

This bill would define, among other things, the terms hydraulic fracturing and hydraulic fracturing fluid. The bill would require the Secretary of the Natural Resources Agency, on or before January 1, 2015, to cause to be conducted an independent scientific study on hydraulic fracturing treatments. The bill would require an operator of a well to record and include all data on hydraulic fracturing treatments, as specified. The bill would require the division, in consultation with the Department of Toxic Substances Control, the State Air Resources Board, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and any local air districts and regional water quality control boards in areas where hydraulic fracturing treatments may occur, on or before January 1, 2015, to adopt rules and regulations specific to hydraulic fracturing, including governing the construction of wells and well casings and full disclosure of the composition and disposition of hydraulic fracturing. The bill would require an operator to apply for a permit, as specified, with the supervisor or district deputy, prior to performing a hydraulic fracturing treatment of a well and would prohibit the operator from either conducting a new hydraulic fracturing treatment or repeating a hydraulic fracturing treatment without a valid, approved permit. The bill would prohibit the approval of a permit that presents an unreasonable risk or is incomplete. The bill would require the division, within 5 business days of issuing a permit to commence hydraulic fracturing, to provide a copy to specific boards and entities and to post the permit on a publicly accessible portion of its Internet Web site. The bill would require the hydraulic fracturing treatment to be completed within one year from the date that a permit is issued. The bill would require the division to perform random periodic spot check ~~investigations~~ *inspections* during hydraulic fracturing treatments, as specified. The bill would prohibit the supervisor or district deputy, as of January 1, 2015, from issuing a permit to commence a hydraulic fracturing treatment, as specified, until the study is completed and peer reviewed by independent scientific experts. The bill would require the operator to provide a copy of the approved hydraulic fracturing treatment permit to specified property owners at least 30 days prior to commencing a hydraulic fracturing

treatment. The bill would require the operator to provide notice to the division at least 72 hours prior to the actual start of the hydraulic fracturing treatment in order for the division to witness the hydraulic fracturing treatment. The bill would require the supplier, as defined, of the hydraulic fracturing treatment to provide to the operator, within 30 days following the conclusion of the hydraulic fracturing, certain information regarding the hydraulic fracturing fluid. The bill would require the operator, within 60 days of the cessation of hydraulic fracturing treatment, to post or cause to have posted on an Internet Web site accessible to the public specified information on the fracturing and fluid, as specified. The bill would provide that where the division shares jurisdiction over a well with a federal entity, the division's rules and regulations govern the hydraulic fracturing treatment of a well. The bill would require a supplier claiming trade secret protection for the chemical composition of additives used in the hydraulic treatment to disclose the composition to the division, in conjunction with a hydraulic fracturing treatment permit application, but would, except as specified, prohibit those with access to the trade secret from disclosing it. Because a violation of this bill would create a new crime, it would impose a state-mandated local program.

(2) Under existing law, a person who violates certain statutes or regulations relating to oil and gas well operations is subject to a civil penalty not to exceed \$25,000 for each violation.

This bill would make persons who violate specified provisions relating to hydraulic fracturing subject to a civil penalty of not less than \$10,000 and not to exceed \$25,000 per day per violation.

(3) Existing law imposes an annual charge upon each person operating or owning an interest in an oil or gas well in respect to the production of the well which charge is payable to the Treasurer for deposit into the Oil, Gas, and Geothermal Administrative Fund. Existing law further requires that specific moneys from charges levied, assessed, and collected upon the properties of every person operating or owning an interest in the production of a well to be used exclusively, upon appropriation, for the support and maintenance of the department charged with the supervision of oil and gas operations.

This bill would allow the moneys described above to be used for all costs associated with hydraulic fracturing including scientific studies required to evaluate the treatment, inspections, and any air and water quality sampling, monitoring, and testing performed by public entities.

This bill would require the supervisor, on or before January 1, 2016, and annually thereafter, to transmit to the Legislature and make available publicly a comprehensive report on hydraulic fracturing in the exploration and production of oil and gas resources in the state.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Hydraulic fracturing of oil and gas wells in combination
4 with technological advances in oil and gas well drilling are spurring
5 oil and gas extraction and exploration in California.

6 (b) Insufficient information is available to fully assess the
7 science of the practice of hydraulic fracturing in California
8 including environmental, occupational, and public health hazards
9 and risks.

10 (c) Providing transparency and accountability to the public
11 regarding hydraulic fracturing, associated emissions to the
12 environment, and the handling, processing, and disposal of
13 hydraulic fracturing and related wastes is of paramount concern.

14 SEC. 2. Article 3 (commencing with Section 3150) is added
15 to Chapter 1 of Division 3 of the Public Resources Code, to read:

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Article 3. Hydraulic Fracturing

19 3150. "Additive" means a substance or combination of
20 substances added to a base fluid for purposes of preparing a
21 hydraulic fracturing fluid. An additive may, but is not required to,
22 serve additional purposes beyond the transmission of hydraulic
23 pressure to the geologic formation. An additive may be of any
24 phase and includes proppants.

25 3151. "Base fluid" means the continuous phase fluid used in
26 the makeup of a hydraulic fracturing fluid. The continuous phase

1 fluid may include, but is not limited to, water, and may be a liquid
2 or a hydrocarbon or nonhydrocarbon gas. A hydraulic fracturing
3 treatment may use more than one base fluid.

4 3152. “Hydraulic fracturing” means a well stimulation ~~or well~~
5 ~~completion~~ treatment that ~~involves~~ *includes* the pressurized
6 injection of hydraulic fracturing fluid ~~and proppant~~ *or fluids* into
7 an underground geologic formation in order to fracture the
8 formation, thereby causing or enhancing, for the purposes of this
9 division, the production of oil or gas from a well.

10 3153. “Hydraulic fracturing fluid” means a base fluid mixed
11 with physical and chemical additives for the purpose of hydraulic
12 fracturing. A hydraulic fracturing treatment may include more than
13 one hydraulic fracturing fluid.

14 3154. “Proppants” means materials inserted or injected into
15 the underground geologic formation that are intended to prevent
16 fractures from closing.

17 3155. “Supplier” means an entity performing a hydraulic
18 fracturing treatment or an entity supplying an additive or proppant
19 directly to the operator for use in a hydraulic fracturing treatment.

20 3156. “Surface property owner” means the owner of real
21 property as shown on the latest equalized assessment roll or, if
22 more recent information than the information contained on the
23 assessment roll is available, the owner of record according to the
24 county assessor or tax collector.

25 3157. *“Cyclic steam injection” means the alternating injection*
26 *of steam and production of oil with condensed steam from the same*
27 *well or wells and is an enhanced oil recovery technique. Typical*
28 *operations using this technique involve a cycle through a steam*
29 *injection stage, followed by a steam soak stage, and then a*
30 *production stage.*

31 3160. (a) On or before January 1, 2015, the Secretary of the
32 Natural Resources Agency shall cause to be conducted an
33 independent scientific study on hydraulic fracturing treatments.
34 The scientific study shall evaluate the hazards and risks and
35 potential hazards and risks that hydraulic fracturing treatments
36 pose to natural resources and public, occupational, and
37 environmental health and safety. The scientific study shall do all
38 of the following:

- 1 (1) Follow the well-established standard protocols of the
2 scientific profession, including, but not limited to, the use of
3 recognized experts, peer review, and publication.
- 4 (2) Identify areas with existing and potential conventional and
5 unconventional oil and gas reserves where hydraulic fracturing
6 treatments are likely to spur or enable oil and gas exploration and
7 production.
- 8 (3) Evaluate all aspects of hydraulic fracturing, including, but
9 not limited to, the hydraulic fracturing treatment, additive and
10 water transportation to and from the well site, mixing and handling
11 of the hydraulic fracturing fluids and additives on site, wastewater
12 and waste hydraulic fracturing fluid handling, treatment, and
13 disposal.
- 14 (4) Consider, at a minimum, atmospheric emissions, the potential
15 degradation of air quality, potential water and surface
16 contamination, induced seismicity, and the ultimate disposition,
17 transport, transformation, and toxicology of hydraulic fracturing
18 fluids, and waste hydraulic fracturing fluids in the environment.
- 19 (5) Include a hazard assessment and risk analysis addressing
20 occupational and environmental exposures to hydraulic fracturing
21 treatments and hydraulic fracturing treatment-related processes
22 and the corresponding impacts on public health and safety with
23 the participation of the Office of Environmental Health Hazard
24 Assessment.
- 25 (6) Clearly identify where additional information is necessary
26 to inform and improve the analyses.
- 27 (b) (1) On or before January 1, 2015, the division, in
28 consultation with the Department of Toxic Substances Control,
29 the State Air Resources Board, the State Water Resources Control
30 Board, the Department of Resources Recycling and Recovery, and
31 any local air districts and regional water quality control boards in
32 areas where hydraulic fracturing treatments may occur, shall adopt
33 rules and regulations specific to hydraulic fracturing. The rules
34 and regulations shall include, but are not limited to, revisions, as
35 needed, to the rules and regulations governing construction of
36 wells and well casings to ensure integrity of wells, well casings,
37 and the geologic and hydrologic isolation of the oil and gas
38 formation during and following hydraulic fracturing, and full
39 disclosure of the composition and disposition of hydraulic
40 fracturing fluids and waste hydraulic fracturing fluids.

- 1 (2) Full disclosure of the composition and disposition of
2 hydraulic fracturing fluids shall, at a minimum, include:
- 3 (A) The date of the hydraulic fracturing treatment.
 - 4 (B) A complete list of the names, Chemical Abstract Service
5 (CAS) numbers, and maximum concentration, in percent by mass,
6 of each and every chemical constituent of the hydraulic fracturing
7 fluids used. If a CAS number does not exist for a chemical
8 constituent, the well owner or operator may provide another unique
9 identifier, if available. Chemical information claimed as a trade
10 secret, pursuant to subdivision (j), shall be identified as such and
11 reported as described in subdivision (j).
 - 12 (C) The trade name, the supplier, and a brief description of the
13 intended purpose of each additive contained in the hydraulic
14 fracturing fluid.
 - 15 (D) The total volume of base fluid used during the hydraulic
16 fracturing treatment, and the identification of whether the base
17 fluid is water suitable for irrigation or domestic purposes, water
18 not suitable for irrigation or domestic purposes, or a fluid other
19 than water.
 - 20 (E) The source, volume, and specific composition and
21 disposition of all water, including, but not limited to, all water
22 used as base fluid during the hydraulic fracturing treatment and
23 recovered from the well following the hydraulic fracturing
24 treatment that is not otherwise reported as produced water pursuant
25 to Section 3227.
 - 26 (F) The specific composition and disposition of all hydraulic
27 fracturing fluids, including waste fluids, other than water.
 - 28 (G) Any radiological components or tracers injected into the
29 well as part of, or in order to evaluate, the hydraulic fracturing
30 treatment, a description of the recovery method, if any, for those
31 components or tracers, the recovery rate, and specific disposal
32 information for recovered components or tracers.
 - 33 (H) The radioactivity of the recovered hydraulic fracturing
34 fluids.
 - 35 (I) The location of the portion of the well subject to the hydraulic
36 fracturing treatment and the extent of the fracturing surrounding
37 the well induced by the treatment.
- 38 ~~(3) The rules and regulations shall be revised to incorporate the~~
39 ~~results of the independent scientific study conducted pursuant to~~
40 ~~subdivision (a).~~

1 (3) (A) A hydraulic fracturing treatment that is applied to a
2 well where cyclic steam injection is approved pursuant to Section
3 1724.8 of Title 14 of the California Code of Regulations, and that
4 is distinct from the process described under Section 3157, is subject
5 to this section.

6 (B) A cyclic steam injection process as described in Section
7 3157 is not subject to this section.

8 (c) (1) ~~The rules and regulations adopted pursuant to~~ Through
9 the consultation process described in paragraph (1) of subdivision
10 (b), the division shall collaborately identify and delineate the
11 existing statutory authority and regulatory responsibility relating
12 to hydraulic fracturing treatments and hydraulic fracturing
13 treatment-related activities of the Department of Toxic Substances
14 Control, the State Air Resources Board, any local air districts, the
15 State Water Resources Control Board, the Department of Resources
16 Recycling and Recovery, any regional water quality control board,
17 and other public entities, as applicable. ~~The division~~ This shall
18 additionally delineate include how the respective authority,
19 responsibility, and notification and reporting requirements
20 associated with hydraulic fracturing treatments and hydraulic
21 fracturing treatment-related activities ~~is~~ are divided among each
22 public entity.

23 (2) On or before January 1, 2015, the division shall enter into
24 formal agreements with the Department of Toxic Substances
25 Control, the State Air Resources Board, any local air districts where
26 hydraulic fracturing treatments may occur, the State Water
27 Resources Control Board, the Department of Resources Recycling
28 and Recovery, and any regional water quality control board where
29 hydraulic fracturing treatments may occur, clearly delineating
30 respective authority, responsibility, and notification and reporting
31 requirements associated with hydraulic fracturing treatments and
32 hydraulic fracturing treatment-related activities in order to promote
33 regulatory transparency and accountability.

34 (3) The agreements under paragraph (2) shall specify the
35 appropriate public entity responsible for air and water quality
36 monitoring and the safe disposal of materials in landfills, include
37 trade secret handling protocols, if necessary, and provide for ready
38 public access to information related to hydraulic fracturing
39 treatments and related activities.

1 ~~(4) Any party to an agreement under paragraph (2) shall revise~~
2 ~~its regulations, if necessary, to reflect the agreement.~~

3 (d) (1) Notwithstanding any other law or regulation, prior to
4 performing a hydraulic fracturing treatment on a well, the operator
5 shall apply for a permit to perform a hydraulic fracturing treatment
6 with the supervisor or district deputy. The permit application shall
7 contain the pertinent data the supervisor requires on printed forms
8 supplied by the division or on other forms acceptable to the
9 supervisor. The information provided in the permit application
10 shall include, but is not limited to, the following:

11 (A) The well identification number and location.

12 (B) The time period during which the hydraulic fracturing
13 treatment is planned to occur.

14 (C) An estimate of the amount of water to be used in the
15 treatment and its source.

16 (D) A complete list of the names, Chemical Abstract Service
17 (CAS) numbers, and estimated concentrations, in percent by mass,
18 of each and every chemical constituent of the hydraulic fracturing
19 fluids planned to be used in the treatment. If a CAS number does
20 not exist for a chemical constituent, the well owner or operator
21 may provide another unique identifier, if available. Chemical
22 information claimed as a trade secret, pursuant to subdivision (j),
23 shall be identified as such and reported as described in subdivision
24 (j).

25 (E) The planned location of the hydraulic fracturing treatment
26 on the well bore and the estimated length, height, and direction of
27 the induced fractures.

28 (2) (A) The supervisor or district deputy shall review the
29 hydraulic fracturing treatment permit application and may approve
30 the permit if the application is complete.

31 (B) A hydraulic fracturing treatment or repeat hydraulic
32 fracturing treatment shall not be performed on any well without a
33 valid permit that the supervisor or district deputy has approved.

34 (C) A permit describing a hydraulic fracturing treatment that
35 presents unreasonable risk or is incomplete shall not be approved.

36 (3) The hydraulic fracturing treatment shall be completed within
37 one year of the issuance of the permit.

38 (4) Within five business days of issuing a permit to perform a
39 hydraulic fracturing treatment, the division shall provide a copy
40 of the permit to the appropriate regional water quality control board

1 or boards and to the local planning entity where the well, including
2 its subsurface portion, is located. The division shall post the permit
3 on the publicly accessible portion of its Internet Web site.

4 (5) At least 30 calendar days prior to commencing a hydraulic
5 fracturing treatment, the operator shall provide a copy of the
6 approved hydraulic fracturing treatment permit to every surface
7 property owner or authorized agent of that owner whose property
8 line location is one of the following:

9 (A) Within a 1,500 foot radius of the wellhead.

10 (B) Within 500 feet from the horizontal projection of all
11 subsurface portions of the designated well to the surface.

12 (6) (A) A property owner notified pursuant to paragraph (5)
13 may request the regional water quality control board to perform
14 water quality sampling and testing on any water well suitable for
15 drinking or irrigation purposes and on any surface water suitable
16 for drinking or irrigation purposes as follows:

17 (i) Baseline measurements prior to the commencement of the
18 hydraulic fracturing treatment.

19 (ii) Followup measurements after the hydraulic fracturing
20 treatment on the same schedule as the pressure testing of the well
21 casing of the hydraulically-fractured well.

22 (B) The regional water quality control board may contract with
23 an independent third party that adheres to board-specified standards
24 and protocols to perform the water sampling and testing.

25 (7) The regional water quality control board shall retain and
26 archive sufficient sample collected pursuant to paragraph (6) to
27 permit a reasonable number of additional analyses.

28 (8) The operator shall provide the division with a list of the
29 entities and property owners notified pursuant to paragraphs (4)
30 and (5).

31 (9) The operator shall provide notice to the division at least 72
32 hours prior to the actual start of the hydraulic fracturing treatment
33 in order for the division to witness the treatment.

34 (e) On and after January 1, 2015, the supervisor or district
35 deputy shall not issue a hydraulic fracturing treatment permit for
36 any well until the independent scientific study in subdivision (a)
37 is completed and peer reviewed by independent scientific experts.

38 (f) If a hydraulic fracturing treatment is performed on a well, a
39 supplier that performs any part of hydraulic fracturing or provides
40 additives directly to the operator for a hydraulic fracturing

1 treatment shall furnish the operator with information needed for
2 the operator to comply with subdivision (g). If a supplier claims
3 trade secret protection pursuant to subdivision (j), the supplier
4 shall notify the operator and provide to the operator substitute
5 information, as described in subdivision (j), suitable for public
6 disclosure. This information shall be provided as soon as possible
7 but no later than 30 days following the conclusion of the hydraulic
8 fracturing treatment.

9 (g) (1) Within 60 days following cessation of a hydraulic
10 fracturing treatment on a well, the operator shall post or cause to
11 have posted to an Internet Web site designated or maintained by
12 the division and accessible to the public, all of the hydraulic
13 fracturing fluid composition and disposition information required
14 to be collected pursuant to rules and regulations adopted under
15 subdivision (b), including well identification number and location.

16 (2) The division's Internet Web site shall be operational by
17 January 1, 2016, and the division may direct reporting to an
18 alternative Internet Web site developed by the Ground Water
19 Protection Council and the Interstate Oil and Gas Compact
20 Commission in the interim. The reported information shall be
21 organized on the division's Internet Web site in a format, such as
22 a spreadsheet, that allows the public to easily search and aggregate,
23 to the extent practicable, each type of information required to be
24 collected pursuant to subdivision (b) using search functions on
25 that Internet Web site.

26 (h) The operator is responsible for compliance with this section.

27 (i) (1) All geologic features within a distance reflecting an
28 appropriate safety factor of the fracture zone and having the
29 potential to either limit or facilitate the migration of fluids outside
30 of the fracture zone, shall be identified and added to the well
31 history. Geologic features include, but are not limited to, seismic
32 faults.

33 (2) For the purposes of this section, the "fracture zone" is
34 defined as the volume surrounding the well bore where fractures
35 were created or enhanced by the hydraulic fracturing treatment.
36 The safety factor shall be at least five and may vary depending
37 upon geologic knowledge.

38 (j) (1) The supplier may claim trade secret protection for the
39 chemical composition of additives pursuant to Section 1060 of the
40 Evidence Code, or the Uniform Trade Secrets Act (Title 5

1 (commencing with Section 3426) of Part 1 of Division 4 of the
2 Civil Code).

3 (2) If a supplier believes that information regarding a chemical
4 constituent of a hydraulic fracturing fluid is a trade secret, the
5 supplier shall nevertheless disclose the information to the division
6 in conjunction with a hydraulic fracturing treatment permit
7 application, if not previously disclosed, within 30 days following
8 cessation of hydraulic fracturing on a well, and shall notify the
9 division in writing of that belief.

10 (3) The supplier is not required to disclose trade secret
11 information to the operator.

12 (4) This subdivision does not permit a supplier to refuse to
13 disclose the information required pursuant to this section to the
14 division.

15 (5) To comply with the public disclosure requirements of this
16 section, the supplier shall indicate where trade secret information
17 has been withheld and the specific name of a chemical constituent
18 shall be replaced with the chemical family name or similar
19 descriptor associated with the trade secret chemical information.

20 (6) Except as provided in subparagraph (B) of paragraph (8),
21 the division shall protect from disclosure any trade secret
22 designated as such by the supplier, if that trade secret is not a public
23 record.

24 (7) The supplier shall notify the division in writing within 30
25 days of any changes to information provided to the division to
26 support a trade secret claim.

27 (8) Upon receipt of a request for the release of information to
28 the public, which includes information the supplier has notified
29 the division is a trade secret and is not a public record, the
30 following procedure applies:

31 (A) The division shall notify the supplier of the request in
32 writing by certified mail, return receipt requested.

33 (B) The division shall release the information to the public, but
34 not earlier than 60 days after the date of mailing the notice of the
35 request for information, unless, prior to the expiration of the 60-day
36 period, the supplier obtains an action in an appropriate court for a
37 declaratory judgment that the information is subject to protection
38 or for a preliminary injunction prohibiting disclosure of the
39 information to the public and provides notice to the division of
40 that action.

1 (9) (A) Except as provided in subparagraph (B) of paragraph
2 (8), trade secret information is not a public record and shall not be
3 disclosed to anyone except to an officer or employee of the
4 division, the state, local air districts, or the United States, in
5 connection with the official duties of that officer or employee, to
6 a health professional, under any law for the protection of health,
7 or to contractors with the division or the state and its employees
8 if, in the opinion of the division, disclosure is necessary and
9 required for the satisfactory performance of a contract, for
10 performance of work, or to protect health and safety.

11 (B) A health professional may share trade secret information
12 with other persons as may be professionally necessary, including,
13 but not limited to, the patient and other health professionals.
14 Confidentiality of the trade secret information shall be maintained.
15 The holder of the trade secret may request a confidentiality
16 agreement consistent with the requirements of this subdivision to
17 whom this information is disclosed as soon as circumstances
18 permit. If necessary, a procedure for timely disclosure by the
19 division in the event of an emergency shall be identified.

20 (k) This section does not apply to routine pressure tests to
21 monitor the integrity of wells and well casings.

22 (l) A well granted confidential status pursuant to Section 3234
23 shall comply with this section, with the exception of the disclosure
24 of hydraulic fracturing fluids pursuant to subdivision (g) which
25 shall not be required until the confidential status of the well ceases.

26 (m) The division shall perform random periodic spot check
27 ~~investigations~~ *inspections* to ensure that the information provided
28 on hydraulic fracturing treatments is accurately reported, including
29 that the estimates provided prior to the commencement of the
30 hydraulic fracturing treatment are reasonably consistent with the
31 well history.

32 (n) Where the division shares jurisdiction over a well or the
33 hydraulic fracturing treatment on a well with a federal entity, the
34 division's rules and regulations shall govern the hydraulic
35 fracturing treatment of the well.

36 SEC. 3. Section 3213 of the Public Resources Code is amended
37 to read:

38 3213. The history shall show the location and amount of
39 sidetracked casings, tools, or other material, the depth and quantity
40 of cement in cement plugs, the shots of dynamite or other

1 explosives, and the results of production and other tests during
2 drilling operations. All data on hydraulic fracturing treatments
3 pursuant to Section 3160 shall be recorded in the history.

4 SEC. 4. Section 3215 of the Public Resources Code is amended
5 to read:

6 3215. (a) Within 60 days after the date of cessation of drilling,
7 rework, hydraulic fracturing treatment, or abandonment operations,
8 or the date of suspension of operations, the operator shall file with
9 the district deputy, in a form approved by the supervisor, true
10 copies of the log, core record, and history of work performed, and,
11 if made, true and reproducible copies of all electrical, physical, or
12 chemical logs, tests, or surveys. Upon a showing of hardship, the
13 supervisor may extend the time within which to comply with this
14 section for a period not to exceed 60 additional days.

15 (b) The supervisor shall include information *or electronic links*
16 *to information* provided pursuant to subdivision (g) of Section
17 3160 on existing publicly accessible maps on the division's Internet
18 Web site, and make the information available such that hydraulic
19 fracturing treatment and related information are associated with
20 each specific well. If data is reported on an Internet Web site not
21 maintained by the division pursuant to paragraph (2) of subdivision
22 (g) of Section 3160, the division shall provide electronic links to
23 that Internet Web site. The public shall be able to search and sort
24 the hydraulic fracturing treatment and related information by at
25 least the following criteria:

- 26 (1) Geographic area.
- 27 (2) Additive.
- 28 (3) Chemical constituent.
- 29 (4) Chemical Abstract Service number.
- 30 (5) Time period.
- 31 (6) Operator.

32 (c) Notwithstanding Section 10231.5 of the Government Code,
33 on or before January 1, 2016, and annually thereafter, the
34 supervisor shall, in compliance with Section 9795 of the
35 Government Code, prepare and transmit to the Legislature a
36 comprehensive report on hydraulic fracturing in the exploration
37 and production of oil and gas resources in California. The report
38 shall include aggregated data of all of the information required to
39 be reported pursuant to Section 3160 reported by the district,
40 county, and operator. The report also shall include relevant

1 additional information, as necessary, including, but not limited to,
2 all the following:

3 (1) Aggregated data detailing the disposition of any produced
4 water from wells that have undergone hydraulic fracturing
5 treatments.

6 (2) Aggregated data describing the formations where wells have
7 received hydraulic fracturing treatments including the range of
8 safety factors used and fracture zone lengths.

9 (3) The number of emergency responses to a spill or release
10 associated with a hydraulic fracturing treatment.

11 (4) Aggregated data detailing the number of times trade secret
12 information was not provided to the public, by county and by each
13 company, in the preceding year.

14 (5) Data detailing the loss of well and well casing integrity in
15 the preceding year for wells that have undergone hydraulic
16 fracturing treatment. For comparative purposes, data detailing the
17 loss of well and well casing integrity in the preceding year for all
18 wells shall also be provided. The cause of each well and well casing
19 failure, if known, shall also be provided.

20 (6) The number of spot check inspections conducted pursuant
21 to subdivision (m) of Section 3160, including the number of
22 inspections where the composition of hydraulic fracturing fluids
23 were verified and the results of those inspections.

24 (7) The number of hydraulic fracturing treatments witnessed
25 by the division.

26 (8) The number of enforcement actions associated with hydraulic
27 fracturing treatments, including, but not limited to, notices of
28 deficiency, notices of violation, civil or criminal enforcement
29 actions, and any penalties assessed.

30 (d) The report shall be made publicly available and an electronic
31 version shall be available on the division's Internet Web site.

32 SEC. 5. Section 3236.5 of the Public Resources Code is
33 amended to read:

34 3236.5. (a) A person who violates this chapter or a regulation
35 implementing this chapter is subject to a civil penalty not to exceed
36 twenty-five thousand dollars (\$25,000) for each violation. A person
37 who commits a violation of Article 3 (commencing with Section
38 3150) is subject to a civil penalty of not less than ten thousand
39 dollars (\$10,000) and not to exceed twenty-five thousand dollars
40 (\$25,000) per day per violation. An act of God and an act of

1 vandalism beyond the reasonable control of the operator shall not
2 be considered a violation. The civil penalty shall be imposed by
3 an order of the supervisor pursuant to Section 3225 upon a
4 determination that a violation has been committed by the person
5 charged. The imposition of a civil penalty under this section shall
6 be in addition to any other penalty provided by law for the
7 violation. When establishing the amount of the civil penalty
8 pursuant to this section, the supervisor shall consider, in addition
9 to other relevant circumstances, all of the following:

- 10 (1) The extent of harm caused by the violation.
11 (2) The persistence of the violation.
12 (3) The pervasiveness of the violation.
13 (4) The number of prior violations by the same violator.
14 (b) An order of the supervisor imposing a civil penalty shall be
15 reviewable pursuant to Article 6 (commencing with Section 3350).
16 When the order of the supervisor has become final and the penalty
17 has not been paid, the supervisor may apply to the appropriate
18 superior court for an order directing payment of the civil penalty.
19 The supervisor may also seek from the court an order directing
20 that production from the well or use of the production facility that
21 is the subject of the civil penalty order be discontinued until the
22 violation has been remedied to the satisfaction of the supervisor
23 and the civil penalty has been paid.

24 (c) Any amount collected under this section shall be deposited
25 in the Oil, Gas, and Geothermal Administrative Fund.

26 SEC. 6. Section 3401 of the Public Resources Code is amended
27 to read:

28 3401. (a) The proceeds of charges levied, assessed, and
29 collected pursuant to this article upon the properties of every person
30 operating or owning an interest in the production of a well shall
31 be used exclusively for the support and maintenance of the
32 department charged with the supervision of oil and gas operations.

33 (b) Notwithstanding subdivision (a), the proceeds of charges
34 levied, assessed, and collected pursuant to this article upon the
35 properties of every person operating or owning an interest in the
36 production of a well undergoing a hydraulic fracturing treatment,
37 may be used by public entities, subject to appropriation by the
38 Legislature, for all costs associated with hydraulic fracturing
39 treatments including scientific studies required to evaluate the

1 treatment, inspections, and any air and water quality sampling,
2 monitoring, and testing performed by public entities.

3 SEC. 7. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.