

Introduced by Senator PavleyFebruary 21, 2014

An act to add Section 3223.5 to the Public Resources Code, relating to oil and gas.

LEGISLATIVE COUNSEL'S DIGEST

SB 1281, as introduced, Pavley. Oil and gas production: water use reporting.

Under existing law, the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation regulates the drilling, operation, maintenance, stimulation, and abandonment of oil and gas wells in the state. Existing law provides that a person who violates any prohibition specific to the regulation of oil or gas operations is guilty of a misdemeanor.

Under existing law, the State Water Resources Control Board and the 9 California regional water quality control boards are the principal state agencies with responsibility for the coordination and control of water quality in the state and the Department of Water Resources operates the State Water Project and exercises other functions relating to the state's water resources.

This bill would declare that the use of freshwater in all elements of the development and production of oil and gas shall be reduced, by January 1, 2019, to an unspecified percentage of baseline freshwater use in 2014, and would require the department and the board, in collaboration with the division, to determine the volume of that baseline use. The bill would require well and facility owners or operators to report to the division the volume, source, and use of all freshwater, recycled water, and treated water, as specified, and would require the division to make that information publicly available. Because a violation

of the bill’s reporting requirements by an owner or operator would be a crime, the bill would impose a state-mandated local program.

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. Section 3223.5 is added to the Public Resources
2 Code, to read:

3 3223.5. (a) (1) It is the policy of the state to require
4 conservation of freshwater used, and to promote the use and reuse
5 of recycled and treated water, in all elements of the development
6 and production of oil and gas.

7 (2) The annual use of freshwater in all elements of the
8 development and production of oil and gas shall be reduced, on
9 or before January 1, 2019, to ____ percent of baseline freshwater
10 use in 2014, and this reduction shall be at least maintained
11 thereafter.

12 (b) (1) A well and facility owner or operator shall report to the
13 division the volume and specific source of all freshwater used, the
14 volume and specific source of all recycled and treated water used
15 and reused, and how these waters are used in all elements of the
16 development and production of oil and gas. This shall include all
17 waters supplied, treated, used, and reused by contractors on behalf
18 of the well and facility owner or operator.

19 (2) The information required pursuant to paragraph (1) shall be
20 reported no later than 30 calendar days after the use or reuse of
21 the waters. The division shall post the information reported on its
22 Internet Web site. The information reported shall also be available
23 for download by the public from the division’s Internet Web site
24 in a spreadsheet or similar format suitable for use in an electronic
25 database without additional processing. Activities related to wells
26 designated as confidential pursuant to Section 3234 are not exempt
27 from the public reporting requirements pursuant to this section.

1 (c) The Department of Water Resources and the State Water
2 Resources Control Board, in collaboration with the division, shall
3 develop a methodology to determine, and shall determine, the
4 volume of freshwater used in the baseline 2014 year, as described
5 in subdivision (a). If data are unavailable, estimates derived from
6 documented evidence may be used.

7 (d) For the purposes of this section, the following terms have
8 the following meanings:

9 (1) “Freshwater” means water that is or may be used in the
10 future as a source of public drinking water.

11 (2) “All elements of the development and production of oil and
12 gas” includes, but is not limited to, site and facility preparation,
13 construction, operation and maintenance, the drilling and re-drilling
14 of any wells, any well stimulation treatments, any oil and gas
15 production and recovery, any operation and maintenance of idle
16 wells, any operation and maintenance of active observation wells,
17 any enhanced oil and gas recovery operations including injection
18 wells, any well plugging and abandonment operations and all
19 related activities.

20 SEC. 2. No reimbursement is required by this act pursuant to
21 Section 6 of Article XIII B of the California Constitution because
22 the only costs that may be incurred by a local agency or school
23 district will be incurred because this act creates a new crime or
24 infraction, eliminates a crime or infraction, or changes the penalty
25 for a crime or infraction, within the meaning of Section 17556 of
26 the Government Code, or changes the definition of a crime within
27 the meaning of Section 6 of Article XIII B of the California
28 Constitution.