

**ASSEMBLY BILL**

**No. 669**

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**Introduced by Assembly Member Stone**

February 21, 2013

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An act to amend Section 3202 of the Public Resources Code, relating to oil and gas.

LEGISLATIVE COUNSEL'S DIGEST

AB 669, as introduced, Stone. Oil and gas: drilling.

Under existing law, the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation regulates the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. The State Oil and Gas 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 further requires a person who acquires the right to operate a well or production facility, whether by purchase, transfer, assignment, conveyance, exchange, or other disposition, to meet specific requirements before drilling operations.

This bill would additionally require the operator prior to drilling operations to submit proof to the supervisor that the applicable regional water quality control board has approved the method and location of wastewater disposal for the well.

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

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

SECTION 1. Section 3202 of the Public Resources Code is amended to read:

3202. (a) A person who acquires the right to operate a well or production facility, whether by purchase, transfer, assignment, conveyance, exchange, or other disposition, shall, as soon as it is reasonably possible, but not later than the date when the acquisition of the well or production facility becomes final, notify the supervisor or the district deputy, in writing, of the person's operation. The acquisition of a well or production facility shall not be recognized as complete by the supervisor or the district deputy until the new operator provides all of the following material:

(a)

(1) The name and address of the person from whom the well or production facility was acquired.

(b)

(2) The name and location of the well or production facility, and a description of the land upon which the well or production facility is situated.

(c)

(3) The date when the acquisition becomes final.

(d)

(4) The date when possession was or will be acquired.

(e)

(5) An indemnity bond for each idle well. The bond shall be in an amount as provided in Section 3204 or 3205. The conditions of the bond shall be the same as the conditions stated in Section 3204. An operator that has provided an individual bond required by this subdivision in an amount as provided in Section 3204 shall not be required additionally to comply with the requirements of Section 3206. An operator who has provided a blanket indemnity bond in the minimum amount required in subdivision (a) or (b) of Section 3205 shall additionally comply with Section 3206 for any idle wells not covered by a bond provided under Section 3204.

(b) *Prior to the approval of the commencement of any drilling or redrilling of a well, the operator shall submit proof to the supervisor that the applicable regional water quality control board has approved the method and location of wastewater disposal for the well.*

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