

**Public Outreach Meeting Regarding Amendments
to the Non-Coastal Zoning Ordinance (PL21-
0099) and Coastal Zoning Ordinance (PL21-0100)
Related to Permit Terms, Surety and Insurance
Requirements for Oil and Gas Operations**



Resource Management Agency, Planning Division
November 9, 2022

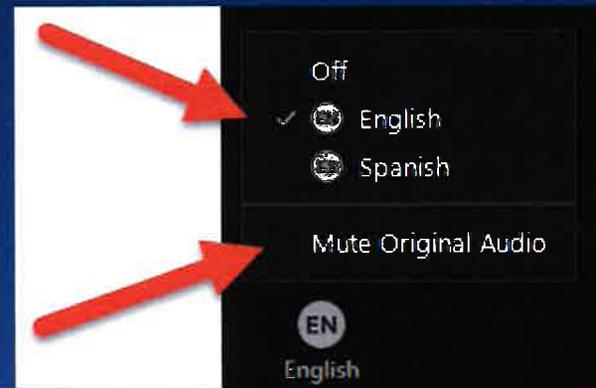
For Spanish Translation

For Desktop users,

1. Click **Interpretation**
2. Select the language
3. (Optional) Click **Mute Original Audio**, to only hear Spanish translation

For smart phone users,

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For Spanish Translation



Submit Project Comments/ Questions During the Meeting:

- Use the “Raise Hand” Button



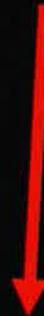
Having Issues With Zoom During The Meeting?

- Email your comment or question to:
JessicaT.Nguyen@ventura.org

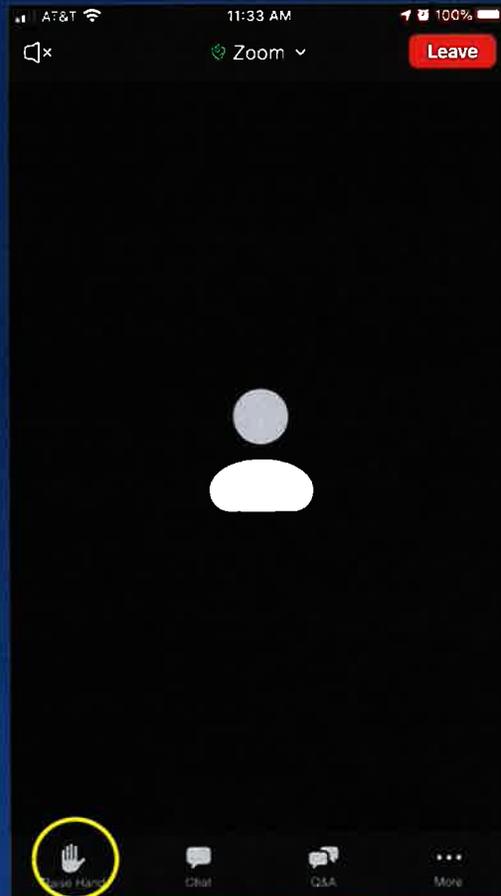
Zoom Meeting Controls - Desktop

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Use “Raise Hand” button to signal your interest to make a comment or ask a question. You will be unmuted when it is your turn to speak.



Zoom Meeting Controls - Mobile



Click on the
“Raise Hand”
button; you will
be unmuted when
it is your turn.

Post-Meeting Access



Spanish and English language recordings of this meeting and a copy of this PowerPoint presentation will be available on the project website

<https://vcrma.org/en/proposed-oil-and-gas-regulations>

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Project History

November 10, 2020 - The Board of Supervisors (BOS or Board) directed the Resource Management Agency to return to the Board with draft amendments to the Non-Coastal Zoning Ordinance (NCZO) and the Coastal Zoning Ordinance (CZO) addressing three topic areas related to oil and gas operations in the unincorporated area:

- (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.

July 28 and August 18, 2022 - Staff Recommendations presented to Planning Commission

Foundational Project Objectives and Considerations

- Respond to Board of Supervisors' directives
- Research whether State funds are adequate to plug and abandon wells anticipated to become orphaned
- Balance costs of surface remediation, well plugging and abandonment, and potential environmental impairment with accessibility and costs of surety bonds/insurance for range of operators
- Consider implementation of ordinance provisions

Limit new discretionary permits to 15 years

Board direction: Limit the term of new discretionary oil and gas permits to 15 years except for permits and approvals issued for post-closure activities.

- **Proposed Conditional Use Permit (CUP) duration (Sections 8107-5.4; 8175-5.7.5):**
 - Maximum 15-year permit duration for new or modified CUPs
 - Allows for subsequent CUP renewal terms of up to 15 years at the end of the initial 15-year term
 - Proposed amendments regarding CUP term does not apply to “antiquated” permits
- **Current CUP duration:** None specified; at the discretion of the Planning Division or Board; past practice generally ranges from 10-30 years

Summary of Increased Surety and Insurance Requirements

Board Direction: Increase the amount of compliance/site restoration surety and insurance from what is currently required by County ordinance; Incorporate measures to assure the timely permanent plugging and restoration of oil and gas wells that have been idle for 15 years or more.

Financial Assurance Mechanisms	Amount	Estimated Cost to Operator
Surface Restoration Surety	\$100k - \$10M - Depending on number of wells OR Surety amount based on site-specific restoration plan and cost estimate prepared by qualified third-party	2-4 percent of bond amount
Well Abandonment Surety	\$36,000 per well; not to exceed \$5M per operator	2-4 percent of bond amount
Long Term Idle Well Abandonment Supplement Surety	\$15,000 for 15-year+ idle wells; not to exceed \$5M per operator	2-4 percent of bond amount
Insurance Coverages	<ul style="list-style-type: none"> - General Liability - \$2M each occurrence; \$4M general aggregate - Environmental Impairment - \$10M - Control of Well - \$10M - Excess (umbrella) Liability - \$25M 	Coverage costs based on size and complexity of operation, financial position of operator.

Planning Commission Hearings – July / August 2022

August Hearing: Unanimously approved staff recommendations and provided additional direction:

- Hold one engagement within 60 days with the public, oil and gas operators and environmental groups and provide notes to the Board of Supervisors
- Look at insurance and bond requirements to ensure equity among operators, which may include establishing different tiers/groupings according to size, and research elimination of surety caps
- Research issues related to cost, availability and collateral requirements for sureties and insurance specific to the Ventura County market

Planning Commission Hearing Public Comments

- Recommend "one-for-one" policy; (i.e., new well permit would require abandonment of an existing well)
- 10-year CUP limit
- Remove \$5M well abandonment surety cap
- State/Federal funding is already adequate to address issue
- County is preempted from collecting abandonment sureties because State already does this
- County conducted no public engagement
- County ignored will of the people (Measures A and B)
- Action constitutes CEQA piecemealing
- Action constitutes taking because operators will be unable to operate due to increased costs of doing business
- Surety and insurance amounts are not economically feasible and may not be obtainable

Discussion

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

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