



September 22, 2020

Mr. Uduak-Joe Ntuk
Oil and Gas Supervisor
California Geologic Energy Management Division
Department of Conservation
801 L Street, MS 24-01
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CalGEM_Headquarters@conservation.ca.gov

Dear Mr. Ntuk,

We write to ask that you set the record straight on the number of oil and gas permits issued by the Department of Conservation's Geologic Energy Management Division (CalGEM). State data, analyzed by the FracTracker Alliance, show that permits to drill new oil and gas production wells are up 185% in the first six months of 2020 over the same period last year, taking into account CalGEM updates. The numbers from your Department's data are listed in the chart below. Nonetheless, you told the Associated Press that we had "misinterpreted" the data and that new drill permits were up 7%. This is misleading. See: <https://apnews.com/d04910d29539d39e24eaa725bcf4545f>

We ask that you correct your error immediately. It is unbecoming for the state's oil and gas supervisor to deny what is a matter of factual record. We also ask that you publicly release the number of wells actually drilled vs permitted to be drilled, and the number of wells actually plugged vs permitted to be plugged since 2018.

Table 1.

	<i>Permits by Well Types</i>				<i>Permit Count</i>				
	<i>Oil and Gas Production</i>		<i>Enhanced Oil Recovery (EOR) & Support**</i>		<i>O&G and EOR Totals</i>			<i>Well Stimulation</i>	<i>Plugging</i>
Year	<u>New Drilling</u>	<u>Rework*</u>	<u>New Drilling</u>	<u>Rework</u>	<u>New Drilling</u>	<u>Rework</u>	<u>Total</u>	<u>Total</u>	<u>Abandon</u>
1/1/2019-7/1/2019	467	736	950	570	1,417	1,306	2,723	211	1,407
1/1/2020-7/1/2020	1,331	586	209	547	1,540	1,133	2,673	48	1,820
Percent Change	UP 185.01%	DOWN 20.38%	DOWN 78.00%	DOWN 4.04%	UP 8.68%	DOWN 13.25%	DOWN 1.84%	DOWN 77.25%	UP 29.35%

*Rework Permit Counts Include Permits to Re-drill, Fix or Deepen Wells

**Enhanced Oil Recovery Wells use dangerous extraction techniques such as cyclic steaming to loosen oil and Well Stimulation Techniques such as fracking and acidizing to break up rock to reach oil

Courtesy of Courtesy of FracTracker Alliance Analysis of Department of Conservation Data

Table 1 above, based on CalGEM data, counts all types of oil and gas well permits issued. We displayed the different categories of wells in our original release but chose to highlight separately the number of new well permits for oil and gas production because of its dramatic uptick since the same period last year.

Our focus on oil and gas production wells is directly related to the implications for public health associated with oil and gas extraction. We consider new oil and gas production wells as particularly high risk. As sites where hydrocarbons are brought to the surface, they are sources of toxic and carcinogenic volatile organic compounds (VOCs) that degrade local air quality. This impacts the health of 5.4 million people living in Frontline Communities within a mile of these wells.

We do not consider “observation,” “water disposal,” and other support wells (all aggregated into the category of enhanced oil recovery and support wells as defined in the table above) to be in the same risk class or category as production wells. Enhanced oil recovery wells that employ techniques to extract oil and gas such as cyclic steaming pose dangers because they employ toxic chemicals and can destabilize the casing integrity of nearby wells—causing big spills such as Chevron’s in Kern County in July of 2019. Production wells pose additional risks to Frontline Communities as greater sources of toxic and carcinogenic air pollutants.

In addition to permits for new production wells, we break out permits for new enhanced oil recovery wells such as cyclic steam wells. Both these numbers added together show the number of permits for new drills in the first six months is up 8.68% although small discrepancies may be attributable to redundancy or errors in the CalGEM datasets. According to the data, it is undeniable that permits to drill new oil and gas production wells rose 185% and disingenuous to suggest that we “misinterpreted” the data.

It also is incorrect to suggest to the Associated Press that the number of permits issued for sealing old wells outpaces the number of permits for drilling new wells and reworking existing wells. According to state data, CalGEM issued 1,820 permits to plug up existing wells in the first six months versus a total of 2,673 new drilling and rework (including well deepening and sidetracking) permits, in addition to 48 fracking permits. All of these permits together expand oil production in California.

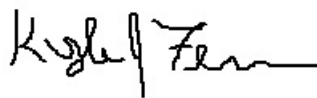
Though the chart above shows more permits to plug wells were issued in the first six months of 2020 over the same period last year, when compared to the total number of permits issued in the first six months, one third more permits were issued to drill new wells and to rework existing wells (increasing the lifespan of older higher risk wells) than to plug old wells over the first six months last year. Reworking an idle or low producing well as opposed to plugging and abandoning a well is an expansion of fossil fuel production.

In order to find solutions to the terrible climate disaster and wildfires plaguing California today, we must be honest with the public about the data and what it shows us. Claiming our publication of CalGEM’s own data is inaccurate when it clearly is not sullies CalGEM and reflects poorly on an Administration that claims desperately to want to stem the cruel tide of climate change. We look forward to your correction of the record.

Sincerely,



Liza Tucker
Consumer Advocate
Consumer Watchdog



Kyle Ferrar
Western Program Coordinator
FracTracker Alliance

CC:

Governor Gavin Newsom
Secretary Wade Crowfoot, California Natural Resources Agency
Secretary Jared Blumenfeld, California Environmental Protection Agency
Deputy Secretary Matthew Baker, California Natural Resources Agency