



July 6, 2023

**VIA EMAIL**

Mr. Matthew Downing, Planning Manager  
City of Pismo Beach, Public Works Department  
760 Mattie Road  
Pismo Beach, CA 93449  
[mdowning@pismo-beach.org](mailto:mdowning@pismo-beach.org)



Dear Mr. Downing:

PROJECT TITLE: CENTRAL COAST BLUE PROJECT ADDENDUM NO. 1  
SCH : 2019120560

The California Geologic Energy Management Division (CalGEM) appreciates the opportunity to submit comments on the Amended project referenced above (Project).

CalGEM has previously commented on this project and our recommendations remain the same. Please find the August 28, 2020 letter addressed to Mr. Matthew Downing with comments from The City of Pismo Beach attached.

Thank you for considering CalGEM's comments. If you have any questions, please contact our District office at (805) 937-7246 or via email at [CalGEMNorthern@conservation.ca.gov](mailto:CalGEMNorthern@conservation.ca.gov)

Sincerely,

A handwritten signature in black ink that reads "Trey Powell".

Trey Powell  
Senior Oil and Gas Engineer

Signature on behalf of

Miguel Cabrera  
Northern District Deputy

Enclosure

ZN:jj:kv

cc: Chrono, CSWR

**State of California Natural Resources Agency | Department of Conservation**

Northern District

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[conservation.ca.gov](http://conservation.ca.gov)



August 28, 2020

## Comment 1

### VIA EMAIL

Mr. Matthew Downing, Planning Manager  
City of Pismo Beach, Public Works Department  
760 Mattie Road  
Pismo Beach, CA 93449  
[mdowning@pismobeach.org](mailto:mdowning@pismobeach.org)

Dear Mr. Downing:

PROJECT TITLE: CENTRAL COAST BLUE PROJECT  
SCH : 2019120560

Public Resources Code (PRC) section 3208.1 establishes well re-abandonment responsibility when a previously plugged and abandoned well will be impacted by planned property development or construction activities. Local permitting agencies, property owners, and/or developers should be aware of, and fully understand, that significant and potentially dangerous issues may be associated with development near oil, gas, and geothermal wells.

The California Geologic Energy Management Division (CalGEM) has received and reviewed the above referenced project. To assist local permitting agencies, property owners, and developers in making wise land use decisions regarding potential development near oil, gas, or geothermal wells, CalGEM provides the following well evaluation.

The project is located in San Luis Obispo County, outside of oil and gas field boundaries.

Our records indicate there is one known plugged and abandoned oil or gas well located approximately ¼ mile from proposed injection wells IW-5A and IW-5B, as shown below (Figure 1). The injection wells are proposed for injection at a depth of approximately 200 to 600 feet below ground surface. The details of the oil or gas well located near the injection wells is discussed below.

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Figure 1. Proposed injection wells (IW-5A & IW-5B) and plugged and abandoned oil well ("Oceano" 1). To view information and locations for oil and gas wells visit <https://www.conservation.ca.gov/calgem/Pages/WellFinder.aspx>

| Well   | Status  |
|--|---|
| <p><b>"Oceano" 1</b><br/>Madonna Construction Co.<br/>API: 079-00329</p> | <p>The record review process shows that this well is <b>not</b> abandoned consistent with current PRC and California Code of Regulations, title 14, (CCR) as of August 24, 2020.</p> <p>Based on the well records:</p> <ol style="list-style-type: none"> <li>1. Casing shoe plug is not to current standards (CCR section 1723.3).</li> <li>2. Surface plug is not to current standards (CCR section 1723.5).</li> </ol> <p>The base of freshwater is at approximately 1,000 feet measured depth according to the electric log run on 3/14/1957. A cement plug was placed from 1,100 feet to 777 feet according to records. The cement plug meets current standards for freshwater protection.</p> |

CalGEM recommends that the plugged and abandoned oil well be considered in any modeling of injection pressure and fluid flow. CalGEM recommends that injection wells be completed in a stratigraphically equivalent or higher zone positioned above the base of freshwater plug, if there is potential for the injection wells to influence the well. Careful consideration of the proposed injection interval placement may reduce the potential risk for downward or upward flow between the injection interval and the portion of the plugged and abandoned well below the base of freshwater plug.

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CalGEM categorically advises against building over, or in any way impeding access to, oil, gas, or geothermal wells. Impeding access to a well could result in the need to remove any structure or obstacle that prevents or impedes access including, but not limited to, buildings, housing, fencing, landscaping, trees, pools, patios, sidewalks, roadways, and decking. Maintaining sufficient access is considered the ability for a well servicing unit and associated necessary equipment to reach a well from a public street or access way, solely over the parcel on which the well is located. A well servicing unit, and any necessary equipment, should be able to pass unimpeded along and over the route, and should be able to access the well without disturbing the integrity of surrounding infrastructure.

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There are no guarantees a well abandoned in compliance with current CalGEM requirements as prescribed by law will not start leaking in the future. It always remains a possibility that any well may start to leak oil, gas, and/or water after abandonment, no matter how thoroughly the well was plugged and abandoned. CalGEM acknowledges wells plugged and abandoned to the most current CalGEM requirements as prescribed by law have a lower probability of leaking in the future, however there is no guarantees that such abandonments will not leak.

CalGEM advises that all wells identified on the development parcel prior to, or during, development activities be tested for liquid and gas leakage. Surveyed locations should be provided to CalGEM in Latitude and Longitude, NAD 83 decimal format. CalGEM expects any wells found leaking to be reported to it immediately and failure to plug and re-abandon the well may result in enforcement action, including an order to perform re-abandonment well work, pursuant to PRC section 3208.1, and 3224.

PRC section 3208.1 gives CalGEM the authority to order or permit the re-abandonment of any well where it has reason to question the integrity of the previous abandonment, or if the well is not accessible or visible. Responsibility for re-abandonment costs may be affected by the choices made by the local permitting agency, property owner, and/or developer in considering the general advice set forth in this letter. The PRC continues to define the person or entity responsible for re-abandonment as:

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1. The property owner - If the well was plugged and abandoned in conformance with CalGEM requirements at the time of abandonment, and in its current condition does not pose an immediate danger to life, health, and property, but requires additional work solely because the owner of the property on which the well is located proposes construction on the property that would prevent or impede access to the well for purposes of remedying a currently perceived future problem, then the owner of the property on which the well is located shall obtain all rights necessary to re-abandon the well and be responsible for the re-abandonment.
2. The person or entity causing construction over or near the well - If the well was plugged and abandoned in conformance with CalGEM requirements at the time of plugging and abandonment, and the property owner, developer, or local agency permitting the construction failed either to obtain an opinion from

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the supervisor or district deputy as to whether the previously abandoned well is required to be re-abandoned, or to follow the advice of the supervisor or district deputy not to undertake the construction, then the person or entity causing the construction over or near the well shall obtain all rights necessary to re-abandon the well and be responsible for the re-abandonment.

- 3. The party or parties responsible for disturbing the integrity of the abandonment - If the well was plugged and abandoned in conformance with CalGEM requirements at the time of plugging and abandonment, and after that time someone other than the operator or an affiliate of the operator disturbed the integrity of the abandonment in the course of developing the property, then the party or parties responsible for disturbing the integrity of the abandonment shall be responsible for the re-abandonment.

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(cont.)

No well work may be performed on any oil, gas, or geothermal well without written approval from CalGEM. Well work requiring approval includes, but is not limited to, mitigating leaking gas or other fluids from abandoned wells, modifications to well casings, and/or any other re-abandonment work. CalGEM also regulates the top of a plugged and abandoned well's minimum and maximum depth below final grade. CCR section 1723.5 states well casings shall be cut off at least 5 feet but no more than 10 feet below grade. If any well needs to be lowered or raised (i.e. casing cut down or casing riser added) to meet this regulation, a permit from CalGEM is required before work can start.

CalGEM makes the following additional recommendations to the local permitting agency, property owner, and developer:

- 1. To ensure that present and future property owners are aware of (a) the existence of all wells located on the property, and (b) potentially significant issues associated with any improvements near oil or gas wells, CalGEM recommends that information regarding the above identified well(s), and any other pertinent information obtained after the issuance of this letter, be communicated to the appropriate county recorder for inclusion in the title information of the subject real property.
- 2. CalGEM recommends that any soil containing hydrocarbons be disposed of in accordance with local, state, and federal laws. Please notify the appropriate authorities if soil containing significant amounts of hydrocarbons is discovered during development.

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As indicated in PRC section 3106, CalGEM has statutory authority over the drilling, operation, maintenance, and abandonment of oil, gas, and geothermal wells, and attendant facilities, to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil, gas, and geothermal deposits; and damage to underground and surface waters suitable for irrigation or domestic purposes. In addition to CalGEM's authority to order work on wells pursuant to PRC section's 3208.1 and 3224, it has authority to issue civil and criminal penalties under PRC

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section's 3236, 3236.5, and 3359 for violations within CalGEM's jurisdictional authority. CalGEM does not regulate grading, excavations, or other land use issues.

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(cont.)

If during development activities, any wells are encountered that were not part of this review, the property owner is expected to immediately notify CalGEM's construction site well review engineer in the Coastal district office, and file for CalGEM review an amended site plan with well casing diagrams. The District office will send a follow-up well evaluation letter to the property owner and local permitting agency.

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Should you have any questions, please contact Mr. Jordan Martin at (805) 465-9638 or via email at [Jordan.Martin@conservation.ca.gov](mailto:Jordan.Martin@conservation.ca.gov)

Sincerely,



Patricia A. Abel  
Coastal District Deputy

JM:ks

cc: OLRA [olra@conservation.ca.gov](mailto:olra@conservation.ca.gov)  
State Clearinghouse [state.clearinghouse@opr.ca.gov](mailto:state.clearinghouse@opr.ca.gov)  
Tharon Wright [Tharon.Wright@conservation.ca.gov](mailto:Tharon.Wright@conservation.ca.gov)  
Chrono File  
CEQA File  
CSWR File  
Well File

City of Pismo Beach  
**Central Coast Blue Project**

## Comment 1

**COMMENTER:** Patricia A. Abel, Coastal District Deputy, California Department of Conservation  
Geologic Energy Management Division

**DATE:** August 28, 2020

### Response 1.1

The commenter notes that the project area is located outside of oil and gas field boundaries. The commenter states that there is one known plugged and abandoned oil or gas well (“Oceano” 1) approximately 0.25 mile from IW-5A and IW-5B that is not abandoned consistent with current Public Resources Code and California Code of Regulations standards. The commenter recommends that this well be considered in hydrogeologic modeling and provides recommendations for depth of injection in consideration of this oil or gas well.

Information on the plugged and abandoned oil or gas well has been provided to the project engineers for inclusion in the hydrogeologic modeling. The commenter’s recommendations for depth of injection have also been provided to the project engineers. This comment does not raise concerns pertaining to the adequacy of the EIR or the CEQA process. Therefore, no further response is required.

### Response 1.2

The commenter advises against building over or impeding access to oil, gas, or geothermal wells.

As noted by the commenter, the project area is not located in an oil and gas field, and the nearest known well is approximately 0.25 mile from project components with known locations. The project does not propose building over or impeding access to oil, gas, or geothermal wells.

### Response 1.3

The commenter states that proper well abandonment does not completely guarantee against the possibility of future leakages. The commenter advises that all oil and gas wells on project parcels be tested for liquid and gas leakage. The commenter states that any leakages should be reported to the California Department of Conservation Geologic Energy Management Division and provides information on the regulatory requirements for plugging and re-abandoning leaking wells and the jurisdiction of the agency over work on oil, gas, and geothermal wells.

The commenter’s remarks have been noted. No known oil, gas, or geothermal wells are located on project parcels. If any unknown oil, gas, or geothermal wells are discovered during project construction, the City would notify the California Department of Conservation Geologic Energy Management Division and comply with regulatory requirements for plugging and re-abandoning leaking wells.

### Response 1.4

The commenter recommends that information on the “Oceano” 1 well be communicated to the appropriate county recorder for inclusion in the title information of the subject real property.

The oil or gas well appears to be located in the Oceano Dunes Natural Preserve on property owned by the California Department of Parks and Recreation. The commenter's letter and recommendation to include well information on the title information of the real property was provided via email to Kevin Pearce, Superintendent of the Oceano Dunes District of California State Parks, on October 14, 2020.

### **Response 1.5**

The commenter recommends that any soil containing hydrocarbons be disposed of in accordance with local, state, and federal laws.

As discussed under Impact HAZ-3 in Section 4.7, *Hazards and Hazardous Materials*, of the Draft EIR, no active hazardous materials sites were identified within the project area. Therefore, it is not anticipated that soil containing hydrocarbons would be encountered during project construction. Nevertheless, if unanticipated contaminated soil is encountered during construction activities, the City and/or its contractor(s) would dispose of the soil in accordance with applicable local, state, and federal laws.

### **Response 1.6**

The commenter provides additional information on the statutory authority of the California Department of Conservation Geologic Energy Management Division over drilling, operation, maintenance, and abandonment of oils, gas and geothermal wells and attendant facilities.

The commenter's remarks are noted.

### **Response 1.7**

The commenter notes that if any oil, gas, or geothermal wells are encountered during project development, the property owner should notify the California Department of Conservation Geologic Energy Management Division and submit appropriate follow-up documentation.

As noted in Response 1.3, if any unknown oil, gas, or geothermal wells are discovered during project construction, the City would notify the California Department of Conservation Geologic Energy Management Division and would comply with applicable regulatory requirements.