

# High Country News

## Could California lead the West on regulating fracking?

Sarah Gilman | Apr 26, 2013

Until relatively recently, California didn't often come up in discussions about booming oil and gas development. Wyoming, New Mexico and Colorado have been much more at the forefront of the media fray, joined by New York, Pennsylvania, Ohio and North Dakota in the last decade. But ever since a pair of unsuccessful gold prospectors first tapped one of California's biggest oil fields via a 460-foot-deep well drilled with a sharpened eucalyptus tree in 1892, the state has played a major role in U.S. oil production. Today, it's fourth in the nation, pumping out around 200 million barrels annually.

So it's something of a surprise that California is only now emerging as a major battleground over hydraulic fracturing, or fracking – a controversial technique wherein water, chemicals and sand are blasted at high pressure down a well bore to release oil and gas trapped inside of rock formations. Most modern oil and gas wells are fracked, including 90 percent of those drilled on federal land.

Last December, California floated a “discussion draft” of its first-ever rules specifically governing fracking. This spring, the Legislature is weighing 10 bills related to the practice, including three that would ban it outright, or just near aquifers, until its impacts on public health and the environment are better studied. Others would tighten wastewater disposal rules and require disclosure of fracking fluid chemicals, groundwater monitoring before and



The San Ardo oil field in Monterey County, California.

after drilling, and sooner notification of neighboring landowners.

“It shocks me that we pride ourselves on being a national leader on environmental protection, yet we have allowed this activity to occur largely unregulated,” state Assemblyman Richard Bloom (D-Santa Monica), who’s sponsoring a moratorium

bill, told Energywire (sub required). “California regulates massage therapists more than hydraulic fracturing.”

It’s unclear how widespread fracking is in California’s operating oil fields. According to an Environmental Working Group report, fact sheets from the state’s Department of

Oil Gas and Geothermal Resources claimed until recently that the division “only has anecdotal information about the use of the practice. (But it) does not believe that fracking is widely used in California.” EWG, however, found that the technique had been employed in at least six counties, with 600 fracked wells in a single Kern County oil field by the mid-1990s. The California Independent Petroleum Association says fracking has been used in the state since the 1950s.

The latest gush of attention from regulators and lawmakers is due to hype about the Monterey Shale (sub required), a reserve of shale oil stretching from the center of the state to Los Angeles County that is believed to contain as many as 15.5 billion recoverable barrels, provided companies can leverage new horizontal drilling and fracking technologies that have unlocked other shale formations to extract it.

Environmentalists are already challenging such efforts on the ground. Early this month, the Center for Biological Diversity and Sierra Club won a lawsuit against the Bureau of Land Management over its 2011 lease sale of 2,700 acres in Monterey and Fresno counties, with the judge ruling that the agency had not taken a hard enough look at the possible environmental impacts of fracking in its environmental analysis. CBD claims the victory “was the first court opinion to find a federal lease sale invalid for failing to address the risks of fracking,” and is already challenging a second 17,000-acre lease sale on the same grounds. LegalPlanet also notes that the case could have implications across BLM’s vast land holdings.

But whether the slew of bills moving through the state Legislature will

see similar success is as yet unclear. California may be one of the Union’s most reliably Democratic states and have some of its strictest state-level environmental regulations, but its stake in oil development is long-standing and significant, and production from its existing fields is declining. The economic potential of the Monterey is also huge, creating a projected 500,000 jobs and \$4.5 billion in tax revenue by 2015, and 2.8 million jobs and \$24.6 billion in tax revenue by 2020, according to a partly industry-funded study by the University of Southern California and the Communications Institute.

Democratic Gov. Jerry Brown has been a vocal proponent of the oil industry’s current and future role in the state, advocating a “balanced” approach to energy development. Environmental critics have already panned California’s draft fracking rules -- which include requirements for chemical disclosure and wastewater disposal, as well as stricter standards for monitoring a well before, during and after the fracking process – as overly lax. The fact that they didn’t exist at all until recently is also telling.

Meanwhile, the oil and gas industry spends more than almost any other interest group on lobbying the state government, with the Western States Petroleum Association coming in second overall with \$8.5 million last year, and Chevron coming in 6th, with \$5.6 million.

Still, the sheer number of regulatory bills moving through the state’s political process, as well as the fact that three would essentially ban fracking, is striking. The latter would have no chance of success in energy states with stronger Libertarian and Republican

streaks like Colorado, where Democratic Gov. John Hickenlooper launched a crusade earlier this year against communities that attempt to regulate or ban fracking on their own.

With half of its oil and gas measures already out of committee, California could yet lead the West on regulating shale development in a way that prioritizes the environment and public health. And with these pitched resource battles moving ever closer to populous liberal strongholds (see my past High Country News coverage of how this happened with New York), it seems possible that the fight here could eventually lead to much stricter regulation nationwide.