

ASSEMBLY THIRD READING

AB 2711 (Ellis)

As Amended May 18, 2026

Majority vote

SUMMARY

Extends the amount of time the supervisor of the California Geologic Energy Management Division (CalGEM) has to respond to a written notice of intention (NOI) to commence drilling and requires a denial to be accompanied with a comprehensive reason for the denial.

Major Provisions

- 1) Provides that the amount of time the supervisor or the district deputy has is 30 days from the date of receipt of the NOI, provided all necessary environmental and technical reviews are complete, to give the operator an approval or denial of the NOI.
- 2) Requires, if the NOI is denied by the supervisor or the district deputy within 30 working days from the date of receipt, the supervisor or district deputy to include in the denial a comprehensive reason for why the notice was denied.

COMMENTS

In California, a developer that wants to drill, expand, rework, or plug a traditional well must file a NOI to request and obtain CalGEM's approval to drill before commencing operations. NOIs for new wells require various information such as the depth and elevation and well type, an assessment of the presence of freshwater or underground drinking water, and whether the location is in an urban area or near environmentally sensitive areas. Operators must also describe blowout prevention equipment and drilling fluids and disposal methods to be used, as well as technical details related to casing and cement usage, proposed work plan, and abandonment plan. A complete NOI must include evidence that the operator has satisfied local permitting requirements and CEQA requirements.

Under current law, CalGEM has 10 days to respond to an operator's NOI before drilling or re-entering an oil or gas well. If CalGEM does not respond within that timeframe, the NOI is deemed approved. According to UC Berkeley's Center for Law, Energy, and Environment paper *Law and Policy Options to Facilitate a Phase-Out of Fossil Fuel Production in California* (April 2020), in practice, many NOI reviews are processed and permitted well within the statutory period, with typical responses often occurring in about a week or less (within 5-7 business days). After receiving approval, an operator must begin operations within 24 months or else the NOI expires.

According to the Author

California is facing a serious energy security crisis as in-state oil and gas production declines and refineries shut down. Robust domestic production has never been more critical to protect working families from shortages, price spikes, and reliance on volatile, dirty, and unsafe overseas supplies. Unfortunately, loopholes in the current drilling permit process have allowed approval times for [NOIs] to drill to balloon from just days to many months – or even years. These excessive delays are stifling production at the very moment California needs it most.

AB 2711 closes these loopholes by requiring CalGEM to approve or deny a Notice of Intention within 30 working days of receipt. This common-sense reform will restore predictability and efficiency to the permitting process, strengthen our energy independence, and help safeguard California families and businesses from supply disruptions.

Arguments in Support

The California Independent Petroleum Association writes that AB 2711 addresses a serious and longstanding problem in the administration of Notices of Intention to drill. Under current practice, operators may receive an automated acknowledgment from CalGEM that is treated as the agency's required written response, while the actual approval or denial of the permit application can then languish for months or even years. This bill closes that loophole by requiring CalGEM to issue an approval or denial within 30 working days of receiving the notice, and to provide an explanation when a notice is denied. That is a straightforward, commonsense reform.

Arguments in Opposition

The Central California Environmental Justice Network writes that the written response required under current law could be an acknowledgement that the request was received but the agency has not had the available staffing to complete the review. If a final approval or denial is required in 30 working days and the Department of Conservation is not staffed to meet that deadline, notices of intention to drill will be approved – or denied – by default.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, CalGEM estimates ongoing annual costs of an unknown amount, likely ranging from minor and absorbable to the low hundreds of thousands of dollars (Oil, Gas, and Geothermal Administrative Fund) for CalGEM to implement this bill. The amount of time it currently takes CalGEM to approve or deny an NOI varies and depends on numerous factors, including, among other things, the type and complexity of the proposed drilling operation, the level of environmental review required (pursuant to the California Environmental Quality Act (CEQA)), and the overall volume of applications CalGEM is reviewing at any given time. This bill provides that if the supervisor or district deputy of CalGEM fails to approve or deny an NOI within 30 working days from the date of receipt, provided that all necessary environmental and technical reviews are complete, the failure shall be considered an approval of the NOI. According to CalGEM, in 2025, the division approved 17 new drilling permits, and the average approval time was around 240 days. However, since SB 237 (Grayson), Chapter 118, Statutes of 2025, has been in effect, most permits in Kern County take under 10 days to process. Permits that require additional environmental review take longer and include the 30-day public comment period required by CEQA. It is likely CalGEM will be able to continue issuing decisions on relatively straightforward NOIs within 30 days, at least within Kern County. And for those notices that require a higher level of technical and environmental review, the bill, as amended, provides CalGEM with an off-ramp and potential cost-containment.

VOTES

ASM NATURAL RESOURCES: 8-0-6

YES: Bryan, Ellis, Alanis, Hoover, Macedo, Pellerin, Schultz, Wicks

ABS, ABST OR NV: Connolly, Garcia, Haney, Kalra, Muratsuchi, Zbur

ASM APPROPRIATIONS: 13-0-2

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Solache, Ta, Tangipa

ABS, ABST OR NV: Caloza, Sharp-Collins

UPDATED

VERSION: May 18, 2026

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