
SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Josh Becker, Chair

2025 - 2026 Regular

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Author:	Ellis		
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Consultant:	Katharine Moore		

Subject: Oil and gas: notice of intention

SUMMARY

This bill would require the Geologic Energy Management Division to evaluate whether a submitted notice of intention to drill or redrill a well is complete or not within 10 days, approve or deny a complete notice of intention within 30 days following the determination of completeness, require an explanation of the denial, and provide for an operation of law approval of a notice of intention if certain technical and environmental reviews are completed, among other provisions, as provided.

BACKGROUND AND EXISTING LAW

Oil in California

California is a major oil and gas producing state. According to the U.S. Energy Information Administration, the state was 8th and 15th for oil and marketed natural gas production, respectively, among the 50 states¹. Oil exploration and production in California started in the 19th century. Production of oil was about 105 million barrels in 2025², and continues to decline from the 1985 peak. Many of the state's oil and gas fields have been in operation for decades, if not longer, and require costly enhanced oil recovery methods, such as steam injection, to continue to produce oil.

The Geologic Energy Management Division in the Department of Conservation (CalGEM) is the state's oil and gas production regulator. The State Oil and Gas Supervisor (supervisor) leads CalGEM, and district deputies lead each of CalGEM's current three districts (Northern, Central, and Southern).

In order to drill, deepen, re-drill, plug, alter the casing of, or abandon a well, an operator needs to obtain an approved Notice of Intention (NOI) from CalGEM. Existing law provides that if the supervisor or district deputy has not provided a written response to the operator within 10 working days, the submitted NOI is deemed approved by operation of law (Public Resources Code (PRC) §§3203, 3229). In practice, CalGEM sends out so-called "letters of abeyance" in that 10 working day window upon receipt of the proposed NOI which satisfies the requirement to provide a written response. The letter of abeyance may read as follows:

The Division has received your Notice of Intention to Abandon, received 5/12/2026 for [identification of the well, field and location]. Please note, the Division is holding your Notice of Intention in Abeyance and will make a final determination at a later time.

¹ Ranking based upon 2024 data.

² According to the WellSTAR data dashboard (accessed May 31, 2026)

There is no fixed deadline to approve or deny a NOI following the issuance of a letter of abeyance. According to CalGEM, NOIs are never approved through operation of law as letters are always sent. In practice, a request to drill an additional well in a well-established field whose parameters are well-known may be approved reasonably quickly. It is important to note that seeking and obtaining a NOI is essentially the last step in the process as other permits and requirements – such as a local conditional use permit or environmental documentation pursuant to the California Environmental Quality Act (CEQA) – should already be obtained prior to submitting the NOI for approval. CalGEM's approvals are conditioned upon the other permits being obtained.

In the last 15 or so years, there have been time periods, particularly in Kern County where most of the state's oil is produced, where there have been substantial delays in the approval of submitted NOIs for new wells. This has largely been due to concerns related to CEQA or environmental or other compliance. In 2015, CalGEM became aware that many injection wells had been approved in locations without appropriate approvals under the federal Safe Drinking Water Act to authorize injection (in other words, the aquifers where injection was occurring were not designated as "exempt"). Depending upon the complexity of the application, it can take years from start-to-finish to obtain exempt status for an aquifer from the U.S. Environmental Protection Agency. While there is a separate approval necessary for injection, a NOI to perforate a well at a depth where an aquifer exemption is required would not be approved. Additionally, there has been extended litigation over the certification of the Kern County local oil and gas ordinance Environmental Impact Report (EIR) under CEQA. As the litigation progressed, there were time periods where there was no valid CEQA document and NOI approvals for new wells were delayed for extended periods as a result. SB 237 (Grayson, Chapter 118, Statutes of 2025) stopped further litigation over the Kern County oil and gas ordinance CEQA document for 10 years, which stopped CEQA-related delays in NOI approval for new wells in Kern County.

According to CalGEM, in 2025 there were 26 NOIs submitted for new wells. Of these, 25 were approved and 56% of the NOIs approved received letters of abeyance. For the NOIs receiving letters of abeyance, the average time until a decision was made was just over 5 months although the range was 0 days to almost 1-1/2 years. Similarly, for NOIs for abandonment, deepening, reabandonment, reworking, and sidetracking, of which thousands in aggregate were approved in 2025, letters of abeyance were sent in the majority of cases, although the average time from receipt to approval was much shorter generally in the range of a couple of weeks to two months.

Since SB 237 became law earlier this year, and through May 31, CalGEM has approved 318 new drill NOIs in Kern County. Kern County has approved 691 job cards for all types of permitted well work and CalGEM has received 633 total NOIs for those.

Existing law:

- 1) Establishes CalGEM within the Department of Conservation and designates the supervisor as CalGEM's leader. Requires the supervisor to appoint at least one district deputy in each district. (PRC §3101)

- 2) Requires the supervisor to so supervise the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production, including pipelines within an oil and gas field, so as to prevent, as far as possible, damage to life, health, property, and natural resources; among other reasons, as provided. (PRC §3106)
- 3) Requires an operator of any well, before commencing the work of drilling, deepening, redrilling, plugging, or permanently altering the casing of well in any manner, to file a written NOI with the supervisor or district deputy. Prohibits drilling or other actions until approval is given by the supervisor or district deputy. Provides that if the supervisor or district deputy does not provide a written response within 10 working days from the date of receipt that the failure is deemed an approval of the NOI, as provided. Cancels the NOI if operations have not commenced within 24 months of receipt. Requires the NOI to contain the pertinent data the supervisor requires on printed forms and authorizes the supervisor to require other pertinent information to supplement the notice, as provided. (PRC §3203)
- 4) Imposes similar requirements as 3) above for a NOI for abandonment. (PRC §3229)

PROPOSED LAW

This bill would:

- 1) Delete the requirement that the supervisor or district deputy respond within 10 working days from the date of receipt of the notice of intention or that failure will be considered an approval of the NOI.
- 2) Require the supervisor or district deputy within 10 working days of receipt of a NOI to provide the operator with a written determination of whether the NOI is complete or not complete.
 - a) Require the supervisor or district deputy to approve or deny the NOI within 30 working days from the determination of completeness, if the NOI is complete.
 - b) Provided that all necessary environmental and technical reviews are complete, approve the NOI by operation of law if the supervisor or district deputy do not approve or deny the NOI within 30 working days from the determination of completeness, as provided.
 - c) If the NOI is not complete, require the supervisor or district deputy to provide the operator with a written list that identifies each item that is missing or deficient, as specified. Authorize the operator to cure the deficiencies and resubmit the NOI. Require the supervisor or district deputy to provide the operator with a written determination whether the written NOI is complete within 10 working days.
 - i) Require the supervisor or district deputy to approve or deny the resubmitted NOI within 30 working days from the determination of completeness, if the resubmitted NOI is complete.
 - ii) Provided that all necessary environmental and technical reviews are complete, approve the resubmitted NOI by operation of law if the supervisor

or district deputy do not approve or deny the resubmitted NOI within 30 working days from the determination of completeness, as provided.

- 3) Require the NOI to be deemed complete if the supervisor or district deputy does not provide a written determination of whether the NOI is complete or not complete within 10 working days or receipt.
 - a) Require the supervisor or district deputy to approve or deny the NOI within 30 working days from the NOI being deemed complete by operation of law.
 - b) Provided that all necessary environmental and technical reviews are complete, approve the NOI by operation of law if the supervisor or district deputy do not approve or deny the NOI within 30 working days from the determination of completeness, as provided.
- 4) Require that if the supervisor or district deputy denies a NOI within 30 working days from the determination of completion, to include in the denial a rational explanation of why the NOI was denied.
- 5) Require that the NOI is deemed cancelled if operations have not commenced within 24 months of receipt of approval, not receipt, as provided.

ARGUMENTS IN SUPPORT

According to the author, “California is facing a serious energy 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 Notices of Intention 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 the California Geologic Energy Management Division (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 OPPOSITION

In a joint sign-on letter in opposition, the Central California Environmental Justice Network writes “AB 2711 is another giveaway to the oil industry, even as companies are making record profits and price-gouging consumers at the pump. California already eliminated future environmental review under the California Environmental Quality Act for the vast majority of new wells in the state. This bill would establish an automatic approval of a notice of intent (NOI) to drill if the Department of Conservation’s Geologic Energy Management Division, the state oil and gas regulator, has not approved or denied the NOI within 30 working days from when the application is deemed complete. CalGEM would be forced to determine whether any information is missing from an application within 10 working days or the application would be deemed complete.”

“These arbitrary and tight timelines are unworkable and create considerable risk. Approvals of an NOI to drill require consideration of issues such as compliance with setbacks from sensitive receptors, geologic safety, and other environmental impacts.”

COMMENTS

Solving a problem? As noted above, in the last 15 years, there have been periods of time, particularly in Kern County, where NOIs for drilling new wells, were not approved for extended periods of time. This has generally been due to CEQA-related issues which SB 237 addressed for Kern County last year. There have since been rapid approvals of most NOIs for new drills in Kern County. The NOI is the last step in the process, and if it is sought before all the other necessary approvals are in place, its approval will necessarily be delayed. CalGEM exercises its authority to deny NOIs as warranted. While it may be frustrating for operators who have pending NOIs when the CEQA documentation relied upon is invalidated, it is not clear what benefit there is to forcing CalGEM to deny those NOIs rather than leaving them pending. In the instances that CalGEM needs additional information from the operator, there should be time available for that information to be supplied.

Abandonments excluded. The bill as proposed does not include the NOIs for abandonment which under existing law have a similar 10 day written response requirement as the other NOIs.

The Committee may wish to amend the bill to include the NOIs for abandonment.
[Amendment #1]

Clarifying requirements. As written, the operation of law approvals depend upon when the environmental and technical reviews are complete, but does not specify who makes that determination.

Additionally, while the NOI includes certain technical and environmental information if completed correctly, the determination of completeness of the NOI by the supervisor or district deputy should include whether all of the environmental and technical information required to evaluate the NOI is also provided. This provides clarity to the operator that CalGEM has the information it needs. At the same time, to the extent feasible, a comprehensive list of the NOI deficiencies should be provided to the operator.

The Committee may wish to amend the bill:

- To specify that the determination of whether the technical and environmental reviews are complete is made by the supervisor or district deputy.
- Clarify that the determination of completeness of the NOI includes whether certain technical and environmental materials necessary to evaluate the NOI are provided.
- Specify that CalGEM make a good faith effort in the event a NOI is incomplete to provide a comprehensive list of the needed information.
- Make minor technical corrections. [Amendment #1]

Operation of law approvals. As noted above, CalGEM states that there are no operation of law approvals because it responds to all NOI submittals. It is not clear should this bill become law that CalGEM's approach to operation of law approvals will change. The framework provided by this bill is substantially more structured and rigid than existing law, and it is not clear that it necessarily provides more certainty to the operator. CalGEM would likely have to do more upfront work in assessing the completeness of the NOI compared to existing practice which may require additional resources.

SUGGESTED AMENDMENTS

AMENDMENT 1

Amend the bill per the following mock-up:

3203. (a) The operator of any well, before commencing the work of drilling the well, shall file with the supervisor or the district deputy a written notice of intention to commence drilling. Drilling shall not commence until approval is given by the supervisor or the district deputy.

(1) The supervisor or district deputy shall within 10 working days of receipt of a notice of intention provide the operator with a written determination stating whether the notice of intention is complete or not complete for purposes of this section. Pursuant to subdivision (b), a complete notice of intention includes all necessary environmental and technical materials that the supervisor or district deputy requires to be submitted by the operator. The supervisor or district deputy shall include in their written determination of whether the notice of intention is complete or incomplete whether all necessary environmental and technical materials required to be submitted by the operator have been submitted.

(A) (i) If the supervisor or district deputy determines that the notice of intention is complete and provides the written determination to the operator pursuant to paragraph (1), the supervisor or district deputy shall have 30 working days from the date of the determination of completeness to provide the operator an approval or denial of the notice.

(ii) If the supervisor or the district deputy fails to give the operator an approval or denial of the notice within 30 working days, provided that all necessary environmental and technical reviews by the supervisor or district deputy are complete, that failure shall be considered as an approval of the notice and the notice, for the purposes and intents of this chapter, shall be deemed a written report of the supervisor.

(B) (i) If the supervisor or district deputy determines that the notice of intention is not complete, the supervisor or district deputy shall provide, in addition to the determination that the notice of intention ion is not complete pursuant to paragraph (1), the operator with a written list that specifically identifies each item that is missing or deficient and the relevant legal authority requiring any item that is identified as missing or deficient. The supervisor or district deputy shall make a good faith effort to include in the written list all items that are missing or

deficient. The operator may cure the deficiencies and resubmit the notice of intention. The supervisor or district deputy shall, within 10 working days of the receipt of the resubmitted notice of intention, provide the operator with a written determination stating whether the resubmitted notice of intention is complete for purposes of this section.

(ii) If the resubmitted notice of intention is determined to be complete, the supervisor or the district deputy shall have 30 working days from the date of the determination of completeness to provide the operator an approval or denial of the notice.

(iii) If the supervisor or the district deputy fails to give the operator an approval or denial of the notice within 30 working days, provided that all necessary environmental and technical reviews **by the supervisor or district deputy** are complete, that failure shall be considered as an approval of the notice and the notice, for the purposes and intents of this chapter, shall be deemed a written report of the supervisor.

(2) (A) If the supervisor or district deputy fails to provide a written determination within 10 working days pursuant to paragraph (1), the notice of intention shall be deemed complete, and supervisor or district deputy shall have 30 working days from the date the notice of intention was received to provide the operator an approval or denial of the notice.

(B) If the supervisor or district deputy fails to provide the operator with an approval or denial of the notice within 30 working days, provided that all necessary environmental and technical reviews **by the supervisor or district deputy** are complete, that failure shall be considered as an approval of the notice and the notice, for the purposes and intents of this chapter, shall be deemed a written report of the supervisor.

(b) The notice shall contain the pertinent data the supervisor requires on printed forms supplied by the division or on other forms acceptable to the supervisor. The supervisor may require other pertinent information to supplement the notice.

(c) If the notice is denied by the supervisor or the district deputy within 30 working days from the date of a written determination of **completion completeness** pursuant to paragraph (1) of subdivision (a), the supervisor or district deputy shall include in the denial a **rationale** ~~rational explanation~~ for why the notice was denied.

(d) If operations have not commenced within 24 months of receipt of approval of the notice, the notice shall be deemed canceled, the notice shall not be extended, and the cancellation shall be noted in the division's records.

(e) After the completion of any well, this section also applies as far as may be, to the deepening or redrilling of the well, any operation involving the plugging of the well, or any operations permanently altering in any manner the casing of the well. The number or designation of any well, and the number or designation specified

for any well in a notice filed as required by this section, shall not be changed without first obtaining a written consent of the supervisor.

(f) If an operator has failed to comply with an order of the supervisor, the supervisor may deny approval of proposed well operations until the operator brings its existing well operations into compliance with the order. If an operator has failed to pay a civil penalty, remedy a violation that it is required to remedy to the satisfaction of the supervisor pursuant to an order issued under Section 3236.5, or to pay any charges assessed under Article 7 (commencing with Section 3400), the supervisor may deny approval to the operator's proposed well operations until the operator pays the civil penalty, remedies the violation to the satisfaction of the supervisor, or pays the charges assessed under Article 7 (commencing with Section 3400).

(g) for the purposes of this section, all necessary environmental and technical materials to be submitted to the supervisor or district deputy for consideration are directly applicable to the evaluation of the notice of intention and include, as applicable: documentation of compliance with the California Environmental Quality Act, location of an exempted aquifer, as defined in subdivision (c) of section 3130, and such other environmental and technical information as is necessary for the supervisor to complete the reviews required for a Notice of Intention.

Add and amend PRC §3229 as follows:

3229. (a) Before commencing any work to abandon a well, the owner or operator shall file with the supervisor or the district deputy a written notice of intention to abandon the well. Abandonment shall not proceed until approval is given by the supervisor or the district deputy. ~~If the supervisor or the district deputy does not give the owner or operator a written response to the notice of intention within 10 working days, the proposed abandonment shall be deemed to have been approved and the notice of intention shall for the purposes of this chapter be deemed a written report of the supervisor. If abandonment operations have not commenced within 24 months of receipt of the notice of intention, the notice of intention shall be deemed canceled.~~

(1) The supervisor or district deputy shall within 10 working days of receipt of a notice of intention provide the operator with a written determination stating whether the notice of intention is complete or not complete for purposes of this section. Pursuant to section 3230, a complete notice of intention includes all necessary environmental and technical materials that the supervisor or district deputy requires to be submitted by the operator. The supervisor or district deputy shall include in their written determination of whether the notice of intention is complete or incomplete all necessary environmental and technical materials required to be submitted by the operator have been submitted.

(A) (i) If the supervisor or district deputy determines that the notice of intention is complete and provides the written determination to the operator pursuant to paragraph (1), the supervisor or district deputy shall

have 30 working days from the date of the determination of completeness to provide the operator an approval or denial of the notice.

(ii) If the supervisor or the district deputy fails to give the operator an approval or denial of the notice within 30 working days, provided that all necessary environmental and technical reviews by the supervisor or district deputy are complete, that failure shall be considered as an approval of the notice and the notice, for the purposes and intents of this chapter, shall be deemed a written report of the supervisor.

(B) (i) If the supervisor or district deputy determines that the notice of intention is not complete, the supervisor or district deputy shall provide, in addition to the determination that the notice of intention is not complete pursuant to paragraph (1), the operator with a written list that specifically identifies each item that is missing or deficient and the relevant legal authority requiring any item that is identified as missing or deficient. The supervisor or district deputy shall make a good faith effort to include in the written list all items that are missing or deficient. The operator may cure the deficiencies and resubmit the notice of intention. The supervisor or district deputy shall, within 10 working days of the receipt of the resubmitted notice of intention, provide the operator with a written determination stating whether the resubmitted notice of intention is complete for purposes of this section.

(ii) If the resubmitted notice of intention is determined to be complete, the supervisor or the district deputy shall have 30 working days from the date of the determination of completeness to provide the operator an approval or denial of the notice.

(iii) If the supervisor or the district deputy fails to give the operator an approval or denial of the notice within 30 working days, provided that all necessary environmental and technical reviews by the supervisor or district deputy are complete, that failure shall be considered as an approval of the notice and the notice, for the purposes and intents of this chapter, shall be deemed a written report of the supervisor.

(2) (A) If the supervisor or district deputy fails to provide a written determination within 10 working days pursuant to paragraph (1), the notice of intention shall be deemed complete, and supervisor or district deputy shall have 30 working days from the date the notice of intention was received to provide the operator an approval or denial of the notice.

(B) If the supervisor or district deputy fails to provide the operator with an approval or denial of the notice within 30 working days, provided that all necessary environmental and technical reviews by the supervisor or district deputy are complete, that failure shall be considered as an approval of the notice and the notice, for the purposes and intents of this chapter, shall be deemed a written report of the supervisor.

(b) If the notice is denied by the supervisor or the district deputy within 30 working days from the date of a written determination of completeness pursuant to paragraph (1) of subdivision (a), the supervisor or district deputy shall include in the denial a rationale for why the notice was denied.

(c) If operations have not commenced within 24 months of receipt of approval of the notice, the notice shall be deemed canceled, the notice shall not be extended, and the cancellation shall be noted in the division's records.

(d) for the purposes of this section, all necessary environmental and technical materials to be submitted to the supervisor or district deputy for consideration are as defined in subdivision (g) of section 3203.

SUPPORT

California Independent Petroleum Association
County of Kern

OPPOSITION

350 Bay Area Action
Amazon Watch
Asian Pacific Environmental Network (APEN) Action
California Environmental Justice Alliance
California Nurses for Environmental Health and Justice
Center for Biological Diversity
Center on Race, Poverty & the Environment
Central California Environmental Justice Network
Central Coast Alliance United for a Sustainable Economy (CAUSE)
Clean and Healthy California
Climate First: Replacing Oil & Gas (CFROG)
Communities for a Better Environment
Earthjustice
Environment California
Food & Water Watch
Fossil Free California Votes
FracTracker Alliance
Oil and Gas Action Network
Oil Change International
Physicians for Social Responsibility – Los Angeles
Presente.org
Redeemer Community Partnership
San Diego 350
Sierra Club California
Sunflower Alliance
The Climate Center
VISIÓN Coalition (Voices in Solidarity Against Oil In Neighborhoods)