

**MEMORANDUM OF UNDERSTANDING  
AMONG THE  
DEPARTMENT OF CONSERVATION, GEOLOGIC ENERGY MANAGEMENT DIVISION  
AND  
CALIFORNIA AIR RESOURCES BOARD  
AND  
STATE WATER RESOURCES CONTROL BOARD  
REGARDING  
IMPLEMENTATION OF REQUIREMENTS PERTAINING TO HEALTH PROTECTION ZONES  
IN PROXIMITY TO OIL AND GAS OPERATIONS**

**I. Purpose**

This Memorandum of Understanding (MOU) is made by and between the California Air Resources Board (CARB), the State Water Resources Control Board (State Water Board), and the Department of Conservation, Geologic Energy Management Division (CalGEM) (collectively, the Parties). This MOU is authorized by Public Resources Code, section 3290, to delineate respective responsibilities for implementing and enforcing Senate Bill 1137 (Gonzalez, Chapter 365, Statutes of 2022) (SB 1137) health protection zone provisions.

The framework of the SB 1137 statutes gives CalGEM regulatory oversight for most of the requirements pertaining to health protection zones, but because the SB 1137 statutes also invoke the regulatory spheres of CARB and the State Water Board and nine regional water quality control boards (Water Boards), coordination among the agencies on certain matters will be important for effective and complete implementation and enforcement of the health protection zone requirements.

A few months after SB 1137 was signed into law in 2022, a referendum advanced by opponents of SB 1137 qualified for the November 2024 ballot, staying the effect of the SB 1137 legislation. However, the referendum proponents withdrew the measure in June 2024, and SB 1137 immediately resumed effect. The Parties began collaborating in 2022 on a coordinated approach to implement the requirements for health protection zones and intend this MOU to include and protect all discussions and associated records contemplated by this MOU and shared between the Parties since SB 1137 was introduced on February 16, 2022.

**II. Overview of Legal Authority and SB 1137 Requirements**

**A. CalGEM**

Chapter 1 (Oil and Gas Conservation) of Division 3 (Oil and Gas) of the Public Resources Code (commencing with section 3000) governs oil and gas exploration and production activities in California. The chapter establishes CalGEM as the principal state agency charged with regulating the drilling, operation, maintenance, and abandonment of oil and gas wells. The State Oil and Gas Supervisor supervises these

activities on behalf of CalGEM, as well as the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production. Such supervision is "to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil and gas deposits from infiltrating water and other causes; loss of oil, gas, or reservoir energy, and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances." (Pub. Res. Code, § 3106, subd. (a).) CalGEM's regulatory mission also includes protecting public health and safety and environmental quality, including reduction and mitigation of greenhouse gas emissions associated with the development of hydrocarbon resources in a manner that meets the energy needs of the state. (Pub. Res. Code, § 3011.)

In regulating oil and gas activities and related facilities to protect the public and environment, CalGEM's regulatory powers include, but are not limited to: (1) requiring an operator to implement a monitoring program designed to detect releases to the air, soil, surface water, and groundwater from aboveground oil production tanks and facilities; (2) issuing permits or approvals for oil and gas activities, such as the drilling or abandonment of wells; (3) investigating the environmental conditions and inspecting facilities associated with oil and gas activities and preparing related reports; (4) ordering and/or undertaking tests or remedial work; and (5) issuing enforcement orders for violations of applicable oil and gas law and permits or approvals.

SB 1137 complements and expands upon this existing framework by creating health protection zones within a 3,200-foot area around "sensitive receptors," as defined in the law. (Pub. Res. Code, § 3280.) SB 1137 sets forth a variety of new requirements related to health protection zones and to wells and production facilities based on their location relative to a health protection zone. CalGEM is no longer authorized to approve a notice of intention for any well with a wellhead (i.e., a surface location) situated within a health protection zone, unless a specific exception applies. (Pub. Res. Code, §§ 3281, 3281.5.) Further, when performing work authorized by an approved notice of intention on a well located within a health protection zone, operators are required to offer sampling and testing of water wells and surface water to nearby property owners and tenants, and to provide related notices and information to certain state agencies. (Pub. Res. Code, § 3284.) Construction and operation of new production facilities within a health protection zone is also prohibited unless a specific exception applies. (Pub. Res. Code, § 3280, subd. (b).)

Beginning in 2026, operations with production facilities or wells within a health protection zone must comply with specified health, safety, and environmental requirements related to permits and sound, light, and dust migration, emissions and vapor venting, and an analysis of produced water transported from the oilfield. (Pub. Res. Code, § 3282.) By July 1, 2028, operators must submit leak detection and response plans (LDRPs) to CalGEM and CalGEM in turn must approve those plans or notify operators of plan deficiencies by July 1, 2029. By July 1, 2030, operators must have an approved, fully implemented LDRP for operations in health protection zones or must

immediately suspend such operations. (Pub. Res. Code, § 3283.) LDRPs are subject to review and approval by CalGEM, in consultation with and concurrence of CARB. Public Resources Code section 3283 provides that CARB and the Water Board shall adopt regulations to set performance standards for the emissions detection system. CalGEM and CARB are to collaborate on methods to provide public access to operator data from emissions detection systems (EDS). (Pub. Res. Code, § 3283(c).) CalGEM must hold at least 3 public workshops on LDRP development (Pub. Res. Code, § 3283(d)), and at least once every five years review and approve updated operator LDRPs. (Pub. Res. Code, § 3283(e).) CalGEM must hold at least one public workshop biennially on LDRP best practices. (Pub. Res. Code, § 3283(e).)

Additionally, all operators of oil and gas wells in California are required to provide CalGEM with an annual submission that describes the proximity of their wells and production facilities to sensitive receptors. (Pub. Res. Code, § 3285.) Beginning in 2030, operators must also provide annually to CalGEM specified information about leaks, alarms and water sampling testing information. (Pub. Res. Code, § 3286.) Lastly, CalGEM must report specified information relating to implementation of health protection zone protections to the Legislature annually, beginning in 2030. (Pub. Res. Code, § 3287.)

## **B. CARB**

CARB has ultimate responsibility for adopting and carrying out the State Implementation Plan required under the federal Clean Air Act in California and works in partnership with local air pollution control and air quality management districts (air districts) to protect public health and welfare. CARB has regulatory authority for greenhouse gases, toxic air contaminants, and emissions generally from a broadly defined class of vehicular and mobile sources. (Health & Saf. Code, §§ 38510 (greenhouse gases); 39650 et seq. (toxic air contaminants and hazardous air pollutants); 39002, 43013, 43018 (vehicular and mobile sources)).

More specifically, pursuant to the California Global Warming Solutions Act ("AB 32") and related authorities, CARB is the state agency charged with monitoring and regulating sources of greenhouse gas emissions and enforcing any measure or regulation it adopts pursuant to AB 32 (Health & Saf. Code, §§ 38510, 38580). For toxic air contaminants, Health and Safety Code section 39666 gives CARB authority to promulgate "airborne toxic control measures" ("ATCMs") using a process and criteria set forth in section 39665. Such measures are designed to address sources of the air toxics presenting the highest health risks statewide. CARB is also charged with coordinating regional and local efforts to attain and maintain compliance with both state and national ambient air quality standards. (Health & Saf. Code, §§ 39003, 39602, 41500.) For all these purposes, CARB has broad authority to collect and develop data on air quality and air pollution, monitor air pollutants, and adopt rules and regulations. (See, e.g., Health & Saf. Code, §§ 39600, 39605, 39607, 39659, 38530, 39701(a)(2) & (b), 41511, 41750-41755, 42700-42708, 44300 et seq., Cal. Code Regs., tit. 17, § 91100.)

CARB can use these authorities to conduct, or require sources to conduct, any air quality monitoring, testing, sampling, or reporting activities, including those pertaining to oil and gas operations and attendant production facilities of the sort addressed by SB 1137.

CARB needs to conduct a number of activities to support the law's July 1, 2028, deadline for operators<sup>1</sup> to submit leak detection and response plans (LDRPs) to CalGEM. (Pub. Res. Code, § 3283(a).) SB 1137 directs CARB to set performance standards for the continuously operating emission detection system the owner or operator must select for inclusion in the LDRPs and to act as a consultant to CalGEM with respect to the approval of LDRPs, the chemicals of concern for the particular facility, and other enforcement activities CalGEM may initiate relating to the continuously operating EDS that operators must include in LDRPs to identify potential toxics of highest concern in the region of each production facility that will be EDS detection targets. (Pub. Res. Code, § 3283.) In addition to development of performance standards for the EDS, CARB's regulations will also address appropriate sampling and test methods necessary for operators to identify target chemicals specific to each facility to comply with LDRP requirements (Pub. Res. Code, § 3283(a)) and alarm requirements (Pub. Res. Code, § 3283(b)). SB 1137 also directs CARB to collaborate with CalGEM to develop methods for providing public access to EDS data generated by operators. (Pub. Res. Code, § 3283(c).) SB 1137 directs CARB and the air districts to identify potential toxics of highest concern in each region of California for EDS detection targets (Pub. Res. Code, § 3283(a)). CARB will consult with the air districts for the identification of these chemical constituents and other relevant factors for the development of the EDS standards.

To support the development of proposed performance standards for EDS, CARB's responsibilities include (1) research and assess commercially available monitoring technologies for methane and potential toxics of highest concern; (2) research and assess the capability of utilizing methane as a surrogate for chemical constituents in fugitive emissions<sup>2</sup> that cannot be continuously monitored; (3) consult with CalGEM and air districts on methods to determine leak detection thresholds (alert thresholds); and (4) consult with community groups, experts, and other CARB divisions, as needed, to develop regulatory performance standards for the EDS.

In order to meet the revised SB 1137 operator implementation dates contained in AB 218, CARB expects to complete the EDS performance standards regulation package in time to provide operators with sufficient notice of the required standards. Once the LDRPs are submitted, CARB will consult with CalGEM for the approval of LDRPs

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<sup>1</sup> "Operator" means a person who, by virtue of ownership, or under the authority of a lease or any other agreement, has the right to drill, operate, maintain, or control a well or production facility. (Pub. Res. Code, § 3009.)

<sup>2</sup> The terms "leak" and "fugitive emissions" are used interchangeably in this document to describe the unintentional release of emissions.

submitted by owners and operators (Pub. Res. Code, § 3283(a)) and collaborate with CalGEM to develop methods for providing public access to EDS data (Pub. Res. Code, § 3283(c)).

CARB will be consulting with the air districts regarding the identification of potential toxics of highest concern in fugitive emissions from production facilities and other local concerns but does not foresee the need for them to participate in rulemaking. The air districts are acting in a consulting capacity only for the purposes of SB 1137 implementation.

### **C. State Water Board and Regional Water Boards**

The State Water Board and nine regional water quality control boards are the principal state agencies with primary responsibility to coordinate and control surface water and groundwater quality in the state. The legal authority of the Water Boards generally extends to regulating any activity or factor(s) that may affect the quality of the waters of the state and includes the prevention and correction of water pollution and nuisance. The Water Boards derive their authority primarily from, and must exercise their authority in accordance with, the State Porter-Cologne Water Quality Control Act (Wat. Code, § 13000 et seq.) and, where applicable, the federal Clean Water Act (33 U.S.C. § 1251 et seq.) and its implementing regulations. The Solid Waste Disposal Regulatory Reform Act of 1993 (Pub. Res. Code, § 43100 et seq.) provides additional authority for the Water Boards to regulate the disposal of solid waste for the purpose of protecting the waters of the state.

The regulatory powers of the Water Boards related to water quality include, but are not limited to: (1) designating the beneficial uses of groundwater and surface waters and establishing water quality objectives to protect the uses; (2) investigating water quality issues, for example, by requiring water quality monitoring and reporting; (3) adopting water quality control plans, regulations, and policies; (4) issuing waste discharge requirements ("WDRs") that regulate discharges of "waste"<sup>3</sup> that may affect the quality of the "waters of the state"<sup>4</sup>; (5) conditionally waiving the requirement to file a report of waste discharge ("ROWD") and obtaining WDRs for certain discharges, such as low-threat discharges; (6) prohibiting types of waste discharges and/or waste discharges in certain locations; (7) issuing enforcement orders; and (8) receiving information from, and providing information to, governmental agencies and the public regarding water quality issues.

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<sup>3</sup> "Waste" includes "sewage and any other waste substances, liquid, solid, gaseous, or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing, or processing operation, including waste placed within containers of whatever nature prior to, and for the purposes of, disposal." (Wat. Code, § 13050, subd. (d).)

<sup>4</sup> "Waters of the state" means any surface water or groundwater, including saline waters, within the boundaries of the state." (Wat. Code, § 13050, subd. (e).)

Pursuant to SB 1137, the Water Boards will provide oversight of water quality testing within oil and gas health protection zones. Well operators are required to provide the Water Boards notice to allow Water Boards' staff an opportunity to witness the water sampling, and the testing must be conducted by a laboratory accredited by the State Water Board's Environmental Laboratory Accreditation Program (ELAP). Additionally, results of water quality sampling data must be electronically submitted to the State Water Board and appropriate regional water quality control board for storage and publication of the data on the State Water Board's website. Though publishing data on the State Water Board's website is not required in this legislation, it is a policy of the State Water Board to make water quality data accessible to the public.

### **III. Coordination of Responsibilities Regarding Implementation and Enforcement of Requirements Pertaining to Health Protection Zones**

#### **A. Water Quality Sampling and Testing (Pub. Res. Code § 3284)**

##### **Water Boards**

- 1) Provide oversight of operator water quality testing within oil and gas health protection zones.
  - a. Within 72 hours of receipt from an operator, CalGEM will provide the Water Boards declarations of completion of notice to property owners and tenants offering to sample and test water wells and surface water.
  - b. Water Boards will receive notification from operators of sampling and testing requests by property owners and tenants in health protection zones and upcoming water sampling activities.
  - c. Water Boards will be given an opportunity by the operator to witness water sampling after an operator provides at least a 5-day notice of an upcoming sampling event. This will allow the Water Boards to verify that water sampling is conducted by appropriately qualified personnel in a manner consistent with standard environmental industry practice and to review documentation of the event.
  - d. Water Boards will review and provide input to operators on operator work plans for sampling and analysis.
- 2) Provide evaluation of water quality testing results within oil and gas health protection zones by reviewing baseline and follow up (post-drilling) sampling results to ensure the protection of beneficial use water.
  - a. Water Boards will review water sampling data from the operator upon completion of the follow up sampling.
  - b. Water Boards will evaluate water quality sampling data and analytical results for potential impacts to water quality.

- c. Water Boards will review laboratory analytical methods utilized to ensure appropriate test methods were used to complete the required analysis are employed.
  - d. If the Water Boards determine that there is a violation of water quality-based statutory or regulatory requirements, the agency may act under its authority to ensure that compliance is achieved. The Water Boards will coordinate with CalGEM if any potential impacts to the quality of waters of beneficial use are identified during evaluation of data collected within a health protection zone.
  - e. Water Boards will work with operators to ensure that this data is submitted in an electronic format, uploaded to the State Water Board's GeoTracker Information System, and made publicly available.
- 3) Design testing methods and accredit environmental laboratories. Water testing must be conducted by a laboratory accredited by the State Water Board's Environmental Laboratory Accreditation Program (ELAP). Analytes tested may require ELAP to accredit additional laboratories in these methods. ELAP will work to add test methods for existing laboratories or to join the program as a new laboratory.

### **CalGEM and Water Boards**

- 1) **Requests for waiver of required water testing.** If CalGEM receives a request from an operator to waive the requirements of Pub. Res. Code § 3284, CalGEM will notify the Water Boards of the waiver request, CalGEM and the appropriate Water Board(s) will consult with each other as contemplated below, and CalGEM will notify the Water Boards of the final decision and provide a copy through the appropriate email inbox.
- a. Requests for waiver of required water testing Pub. Res. Code § 3284 (d)(7) – Lack of access to perform sampling or damage to life, health, or natural resources. If the operator demonstrates (1) that the property owner or tenant was unable to provide the necessary access to perform the baseline or follow-up sampling event, or (2) that the delay in well work associated with the requirements of Pub. Res. Code § 3284 is likely to result in significant damage to life, health, or natural resources and CalGEM waives the requirements of Pub. Res. Code § 3284, CalGEM will notify the Water Boards of the waiver request and decision and provide a copy through the appropriate email inbox.
  - b. Requests for waiver of required water testing Pub. Res. Code § 3284 (d)(7) – Determination of underground source of drinking water and beneficial uses. CalGEM and the Water Boards will consult with one another to determine whether the waiver request adequately demonstrates that the water is not an underground source of drinking water, as defined in the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et. seq.). The Water

Boards will determine whether the water has a beneficial use, in accordance with subdivision (f) of Section 13050 of the Water Code. The State Water Board will coordinate with the appropriate regional water quality control board to conduct the waiver request review process. If CalGEM approves the waiver request, then CalGEM will notify the Water Boards through the appropriate email inbox.

## **B. Leak Detection and Response Plans (§ 3283)**

### Development of LDRP Requirements

- CARB will be lead for developing technical EDS performance standards (Pub. Res. Code, § 3283(a)). CARB will also specify appropriate sampling test methods necessary for operators to identify target chemical constituents specific to each facility to comply with EDS requirements (*Id.*) and alarm requirements (Pub. Res. Code, § 3283(b)).
- CalGEM will take lead on developing specifications and requirements for actions to be taken in response to leaks being detected and community notification protocols (i.e., the alarm response protocol pursuant to Pub. Res. Code, § 3283(b)).
- CalGEM will be lead for identifying which operators must submit LDRPs and which well and facility “status” categories and well, facility, and equipment/component “type” categories are subject to SB 1137 requirements for EDS implementation.
- CARB plans to adopt an EDS performance standards regulation in time for operators to have sufficient notice of their obligations prior to the July 2028 LDRP deadline.

## **CARB**

- 1) Research and assess commercially available monitoring technologies for methane and potential toxics of highest concern to support development of the CARB Regulation for EDS performance standards (per internal timeline).
  - a. Compile and assess responses to the Request for Information (RFI) released by CalGEM in February 2024 that formally inquired with commercial entities and technology providers to obtain “feedback on technologies and processes that can be used to effectively ensure leaks associated with oil and gas operations are being detected”.
  - b. Compile and assess information from commercial entities, technology providers, and subject matter experts, such as METEC (Colorado State University, Fort Collins, Methane Emissions Technology Evaluation Center) and EEMDL (University of Texas, Energy Emissions Modeling and Data Lab).
- 2) Assess the capability of and parameters for utilizing methane as a surrogate for chemical constituents in fugitive emissions to support the development of the CARB regulation for EDS performance standards.

- a. Review literature and available well and production facility emissions speciation data from California oil and gas fields and fields elsewhere in the United States to assess the relationship between potential surrogates and other emitted gases with health consequences (i.e. toxic air contaminants).
  - b. Gather additional well and other production facility fugitive emissions data. Retain a qualified contractor to collect and speciate gaseous profiles, including methane, VOCs, hydrogen sulfide, and toxic air contaminants, from production infrastructure at a representative number of existing, active, oil and gas production wells and facilities throughout California.
  - c. Workshop draft findings with the public, including partner agencies, industry, and community groups, to solicit input.
  - d. Revise and finalize findings based on public feedback.
- 3) Consult with CalGEM and air districts, on methods to determine leak detection thresholds (alert thresholds), EDS requirements, and data quality reporting requirements (collectively referred to as “performance standards”).
- a. Review available well and production facility emissions speciation data from California oil and gas fields and oil and gas fields from elsewhere in the United States to identify toxic air contaminants and other chemicals of concern likely to occur in fugitive emissions.
  - b. Review existing local, state, and federal rules and regulations with continuous monitoring requirements and the technical support documents for their rulemaking to assess potential options for performance standards.
  - c. Consult with air districts to identify potential toxics of highest concern in each region of California that will be EDS detection targets.
  - d. Evaluate methods to determine potential site-specific chemicals of concern that should be facility-specific EDS detection targets.
  - e. Evaluate methods to determine surrogate emission alert thresholds.
  - f. Evaluate options for potential EDS requirements and data quality reporting requirements necessary to reliably detect potential alert thresholds and demonstrate compliance with the performance standards.
  - g. Workshop draft findings and draft proposed EDS performance standards with the public, including partner agencies, industry, and community groups, to solicit input and suggestions for alternatives.
  - h. Revise and finalize findings and proposed EDS performance standards based on public feedback.
- 4) Consult with California Air Pollution Control Officers Association (CAPCOA) and affected air districts on all aspects of SB 1137 Implementation.

- 5) Complete the EDS performance standards regulation package by early 2028 to provide operators with sufficient notice of the required performance standards to develop their LDRPs by July 2028 (per internal timeline).
  - a. Evaluate different regulatory strategies for EDS performance standards.
  - b. Workshop regulatory strategies with the public, including partner agencies, industry, and community groups, to solicit feedback and suggestions for alternatives.
  - c. Revise and finalize regulatory proposal approaches for performance standards and present to the CARB Board Members for their consideration and adoption following a public hearing.

### **CalGEM, CARB & Water Boards**

- 1) Adopt and enforce emergency regulations, as necessary. SB 1137 requires the California Air Resources Board (CARB) and the State Water Board to adopt regulations to implement and set performance standards, as necessary, for an emissions detection system. This provision grants the Water Boards additional authority through the development of the leak protection plan and increases the oversight and coordination among CARB and the Water Boards to prevent and minimize environmental and public health impacts of oil and gas wells.

- 2) Implementation

Review and approval/concurrence for LDRPs—initial and updates (§ 3283, subds. (a) & (e))

- CalGEM will be lead for identifying which operators must submit LDRPs and which well and facility “status” categories and well, facility, and equipment/component “type” categories are subject to SB 1137 requirements for EDS implementation.
- CalGEM will review plans for appropriate integration with the regulated wells, production facilities, and related operational activities, as well as the LDRP and alarm response protocol requirements CalGEM anticipates developing (i.e., regulatory specifications and requirements for actions to be taken in response to leaks being detected and community notification protocols).
- CARB will review plans to evaluate those portions that pertain to EDS performance standards and associated data collection and reporting (and any other requirements for which CARB may develop regulations).

## **CARB**

- 1) Review, consult, and concur with CalGEM on LDRPs for affected facilities (July 2028 through July 2029) as required by PRC section 3283.
  - a. Establish formal review process with CalGEM.
  - b. Review individual LDRP for compliance with CARB performance standards.
  - c. Transmit any review findings to CalGEM for appropriate action.
- 2) Review, consult and concur with CalGEM on operator five-year LDRP updates required by PRC section 3283, subdivision(e).

## **Water Boards**

- 1) Analyze operators' leak detection and response plans. The Water Boards will collaborate with CalGEM in this effort to clarify requirements for leak detection and response plans to address liquid leaks and be involved in reviewing plans. CalGEM will hold public workshops related to the leak detection and response plans and the Water Boards will play a supportive role.

## 3) Enforcement Coordination

- a. To support enforcement coordination, beginning August 1, 2028, and by August 1 of each calendar year thereafter, CalGEM shall provide to CARB and air districts Microsoft Excel worksheets that list wells and production facilities covered by SB 1137's LDRP requirements, with, as available, their addresses, latitude/longitude coordinates, operator information, and specific wells, tanks, and other equipment and components subject to SB 1137 EDS requirements.
- b. SB 1137 requires operators to immediately suspend the use of a production facility if the production facility, including all permanent and temporary equipment within the health protection zone that emits vapors, such as tanks, vessels, separation facilities, gas processing units, and other equipment holding petroleum liquids or produced water, is not in compliance with all applicable air district requirements relating to preventing vapor venting to the atmosphere (Pub. Res. Code, § 3282(f)). CalGEM has authority under SB 1137 to enforce such suspension. CalGEM shall collaborate with air districts to develop and maintain an inventory of facilities in health protection zones that have air district permits and exemptions for venting. CalGEM shall collaborate with air districts to identify and confirm noncompliance status of a facility to ensure consistent implementation of suspensions of production facility use. CARB

shall act as consultants as needed for CalGEM's enforcement of production suspensions under Pub. Res. Code § 3282(f).

- c. CalGEM shall, as soon as is practicable, notify CARB and appropriate air district of any potential or actual air-quality related nuisance or unauthorized air pollution conditions associated with oil and gas operations in a health protection zone identified during CalGEM's inspection activities or in a complaint received by CalGEM. CARB or the air district, as applicable, will institute investigation and enforcement for leak detection and repair concerns, when applicable and where resources allow, under either California's Oil & Gas Regulation (17 Cal. Code Regs., §§ 95665, et seq.) or the applicable air district rules.
- d. CalGEM shall, as soon as is practicable, notify the appropriate regional water quality control board's Executive Officer or his/her designee of any potential or actual water quality violations associated with oil and gas operations in a health protection zone identified during CalGEM's inspection activities or in a complaint received by CalGEM.
- e. CARB shall, as soon as is practicable, notify CalGEM of any potential violations to LDRP requirements and other health protection zone requirements, if identified during their oil and gas regulation inspection activities or in a complaint received by CARB, or during any CARB auditing of any data quality reports.
- f. The State Water Board or the appropriate regional water quality control board shall, as soon as practicable, notify the State Oil and Gas Supervisor or his/her designee of any potential or actual violations of statutes or regulations applicable to oil and gas operations, including health protection zone requirements, identified during their inspection activities or in a complaint received by the State Water Board or regional water quality control board.
- g. If CalGEM, the State Water Board, or a regional water quality control board determines that there is a violation of water-quality based statutory or regulatory requirements associated with oil and gas operations in a health protection zone, the agency may take any actions under its authority that the agency deems appropriate to ensure that compliance is achieved, including penalty assessment or negotiated settlements in lieu thereof. CARB will enforce violations under the California Oil and Gas Rule (17 CCR §§ 95665-95677) and advise CalGEM as to whether there is a concern with respect to the emissions detection system identified in the LDRP or data quality reports so that CalGEM may enforce violations with respect to the LDRP.
- h. If CARB issues a Notice of Violation for an emission violation under its Oil and Gas Methane Regulation relating to a well or production facility located in a health protection zone, CARB shall promptly notify the State Oil and Gas Supervisor or his/her designee. If CalGEM determines that a violation has occurred related to health protection zone requirements

resulting in emissions into the ambient air, it shall notify the Executive Officer of CARB and the Executive Director or Officer of the appropriate air district (or his/her designee) promptly upon notifying the alleged violator.

- i. The Parties will seek to coordinate their enforcement actions and hearings (e.g., share investigative reports, witnesses, or other evidence) to the extent the Parties deem appropriate.
- j. Where feasible, prior to ordering or otherwise requiring that remedial or preventative action be taken that may affect emissions into the ambient air or that may affect waters of the state, CalGEM may consult with the Executive Officer of CARB, the Executive Director or Officer of the appropriate air district, the Executive Director of the State Water Board, and/or the Executive Officer of the appropriate regional water quality control board. Where feasible, prior to ordering or otherwise requiring that remedial or preventative action be taken to address air quality or water quality issues, including, but not limited to, pollution and nuisance, CARB, the air district, the State Water Board, or the regional water quality control board, as appropriate, may consult with the State Oil and Gas Supervisor or his/her designee regarding the actions to be required.

Nothing in this MOU shall be construed as precluding the Parties from taking independent enforcement actions or from responding timely to an emergency.

4) Public Access to Data (§ 3283, subd. (c))

**CARB**

- a. Collaborate with CalGEM to develop methods for providing public access to EDS data generated by operators.

**CalGEM**

- a. Collaborate with CARB in its development of methods for providing public access to EDS data generated by operators.

5) Public Workshops/Outreach

SB 1137 directs CalGEM to hold no less than three public workshops following the enactment of new regulations for new LDRPs to provide information and guidance to operators and the public on the development of LDRPs (Pub. Res. Code § 3283, subd (d).). SB 1137 also directs CalGEM to hold at least one public technical workshop at least biennially to provide information and guidance to operators on best practices for the development, review, and update of LDRPs.

### **CalGEM**

- a. CalGEM will coordinate with CARB and the Water Boards to schedule and present the three public workshops and biennial public technical workshops.

### **CARB**

- a. CARB staff can provide the following workshop and outreach support, as needed by CalGEM:
  - 1. Develop presentation slides that summarize the EDS performance standards;
  - 2. Attend workshops in person or remotely to present the slides about EDS performance standards during the workshop and respond to public questions about the EDS performance standards; and
  - 3. Provide written responses to public questions posed during the workshops and in emails received directly from the public and/or forwarded to CARB by CalGEM and the Water Boards.

## **C. Legislative Reports**

- 1) Six-month notification to applicable legislative budget and policy committees on LDRP development, approval and implementation progress, starting 7/1/2026 (Pub. Res. Code, § 3283, subd. (g))

### **CalGEM**

- a. CalGEM will lead in preparing and providing the notifications required beginning July 1, 2026 and at six-month intervals thereafter, until July 1, 2030.

### **CARB**

- a. CARB will provide CalGEM with timely updates regarding CARB's rulemaking and implementation efforts towards LDRP development, approval and implementation.

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- 2) Annual report on general HPZ implementation, starting July 1, 2030 (Pub. Res. Code, § 3287)

### **CalGEM**

- a. CalGEM shall be lead in preparing and delivering the annual report regarding help protection zone implementation required on or before July 1, 2030.

### **CARB**

- a. CARB will coordinate with CalGEM as necessary and provide, as available, information regarding potential LDRP violations and consult with CalGEM regarding leaks reported to CalGEM and alarms associated with leaks detected by the EDS.

### **Water Boards**

- a. On or before July 1, 2030, CalGEM is required to report the number of times, by operator and location, that baseline and post-drilling groundwater testing was performed. Given that well operators are required to provide water testing data to the Water Boards, the Water Boards will assist as appropriate in developing the legislative report.

## **III. Additional Provisions and Agreements**

### **A. Contact Information Within an Agency**

- 1) Each Party is responsible for providing its contact information (e.g., electronic mail addresses and/or Webportal designations) to the other Party for transmitting notices and other information under this MOU.
- 2) No later than the effective date of this MOU, as specified below, the Parties shall exchange their contact information for implementing this MOU. CalGEM shall provide its contact information to the Executive Officer of CARB and the Executive Director of the State Water Board. CARB and the State Water Board will provide CalGEM's contact information to the air districts and Water Boards, respectively, and ensure that air district and Water Boards contact information is provided to CalGEM.

- 3) Each Party shall be responsible for updating its contact information with the other Parties, as appropriate, to ensure receipt of the notices and other information described in this MOU.
- 4) Each Party shall assist the others in identifying the appropriate contact(s) including agency personnel, for receiving information or handling inquiries regarding the matters addressed in this MOU.

#### **B. Reservation of Authority**

- 1) Nothing in this MOU shall be construed as delegating, limiting, or expanding the authority of CalGEM, CARB, any air district, or the Water Boards in carrying out their respective legal responsibilities for the management, regulation, coordination, and control of emissions and leaks from oil and natural gas facilities.
- 2) Nor shall anything in this MOU be construed as affecting the discretion of CalGEM, CARB, any air district, or the Water Boards in carrying out their respective legal responsibilities for the management, regulation, coordination, and control of emissions and leaks from oil and natural gas facilities.
- 3) This MOU does not limit the authority of CARB under the California Global Warming Solutions Act and, except as provided herein, does not create and shall not be construed to create any right, permission, or requirement for the air district to implement or enforce any authority of CARB regarding regulations adopted by the CARB pursuant to AB 32.
- 4) Nothing in this MOU shall be construed as limiting or eliminating the authority of CARB or any air district from applying or adopting future regulations or requirements within their respective jurisdictions, including, but not limited to, regulations or requirements which are more stringent than or otherwise go beyond the requirements imposed by CalGEM, or which regulate greenhouse gas emissions from non-vehicular sources.

#### **C. No Third-Party Beneficiaries**

- 1) This MOU is not intended for the benefit of any person or entity other than the Parties. Third parties cannot enforce any provision of this MOU.

#### **D. Execution, Term, and Modification**

- 1) This MOU represents the entire agreement of the Parties and merges and supersedes any prior written or oral representations, discussions,

understandings or agreements by, between, or among the Parties relating to the subject matter of this MOU, except that this MOU does not supersede the 2022 Methane Task Force Common Interest Agreement, which shall continue in effect, by and between CARB, CalGEM, and other signatories.

- 2) This MOU shall become effective upon the date of the last signature of the Parties designated in Section IV below (Effective Date) and shall continue in full force and effect unless modified, replaced or terminated by operation of law.
- 3) This MOU may be modified or replaced upon the initiative of any Party for the purpose of ensuring consistency with State, Federal or local statutes or regulations, or for any other purpose mutually agreed upon. Any such modifications or replacement must be in writing and must be signed by an authorized representative of each of the Parties.
- 4) The Parties may execute this MOU in counterparts and submit such counterparts electronically. Each electronically executed counterpart shall have the same force and effect as an original instrument. Taken together, the executed counterparts shall constitute one and the same agreement.

#### **E. Ability to Enter into Other Agreements**

- 1) Any Party may enter into additional side agreements to this MOU with CARB, any individual air district, or the Water Boards for purposes of achieving the goals of SB 1137 and regulating oil and natural gas facility operations within a health protection zone. Any such additional side agreements shall not conflict with this MOU.

#### **F. Construction**

- 1) Any determination that a provision of this MOU is invalid does not invalidate any other provision of this MOU or the MOU in its entirety.

#### **G. Representation on Authority**

- 1) Each Party represents and warrants that it has the right, power, and authority to execute this MOU. Each Party represents and warrants that it has given any and all notices, and obtained any and all consents, powers and authorities, necessary to permit it, and the persons executing this MOU for it, to enter into this MOU.

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#### IV. Signed and Dated

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DOUGLAS ITO  
State Oil & Gas Supervisor  
DEPARTMENT OF CONSERVATION,  
GEOTHERMAL ENERGY  
MANAGEMENT DIVISION

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Date

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STEVEN S. CLIFF, PhD  
Executive Officer  
CALIFORNIA AIR RESOURCES BOARD

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Date

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ERIC OPPENHEIMER  
Executive Director  
CALIFORNIA STATE WATER  
RESOURCES CONTROL BOARD

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Date