

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

**A. GENERAL INFORMATION**

1. Date

10/24/2016

2. Department

Department of Conservation

3. Organizational Placement (Division/Branch/Office Name)

Division of Oil, Gas & Geothermal Resources

4. CEA Position Title

Assistant Deputy Director

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

This position will manage and coordinate statewide programs in oil, gas, and geothermal operations. This position will work closely with the State Oil and Gas Supervisor and Chief Deputy to implement various programs across the State including, Underground Injection Control (UIC), Gas Storage, and Well Stimulation (SB 4). This position will help meet the Division's mission by ensuring the safe exploration of oil, gas, and geothermal in California thus ensuring the safety of the citizens of the State.

6. Reports to: (Class Title/Level)

Exempt, State Oil and Gas Supervisor

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): The position will work closely with the State Oil and Gas Supervisor and department Executive Management on policy making, program management and regulatory control.

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

**B. SUMMARY OF REQUEST**

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Apply the laws regulating oil, gas, and geothermal operations to specific proposals and form valid conclusions regarding safety, adequacy, and effectiveness of the Divisions operations. Develop and implement a variety of analytical and technological research techniques to resolve complex resource management and conservation problems. Review draft legislation and regulations, and make suggestions when necessary to ensure drafts are concise and well written. Prepare budget change proposals to ensure programs have the resources required to meet their mandates. Oversee all administrative functions of the Division including facilities, vehicles, personnel issues, contracts and procurement. Serve as the main administrative liaison to the Assistant Director of Administration. Advise the State Oil and Gas Supervisor of potential changes to existing legislation, regulations, and business processes.

Collaborate with the State Oil and Gas Supervisor and the Chief Deputy Director in the formulation and dissemination of oil and gas regulatory plans, policies, standards, and controls. Utilize technical expertise to provide consultative services and advice to upper management on the feasibility, impact, or potential of a variety of operations, projects, or proposals. Prepare and issue administrative orders, requests for bids, and contracts to plug and abandon oil, gas, and geothermal wells and related facilities that are non-responsive or defunct operators have deserted.

Prepare, review, and approve technical directives for onshore and State offshore oil, gas, and geothermal well drilling, well plugging and abandonment, lease maintenance, and well production and injection operations. Prepare administrative orders to ensure that oil and gas well operators comply with State laws and regulations and follow appropriate conservation policies and practices. Consult with, provide advice, and respond to management, staff, public, other government agencies, and industry regarding oil, gas, environmental, and idle-well issues, problems, and solutions.

Plan, organize, direct, and evaluate the work and performance of the Division's management, engineering, and office services personnel. This includes, but is not limited to the following: ensure staff has a safe team-oriented environment that is free of unprofessional behavior. Ensure staff is motivated to increase their professional abilities. Ensure Division staff has access to training opportunities. Ensure Division personnel fairly enforce pertinent sections of the Public Resources Code and Code Regulations. Monitor, evaluate, and create written performance appraisals of Division staff. Monitor, evaluate, and prepare written performance appraisals of senior Division personnel. Counsel staff and initiate disciplinary actions as necessary. Recruit, hire, train, develop, and provide leadership to staff. Comply with state and federal laws, rules, regulations, bargaining unit contracts, and policies in all personnel practices, including, but not limited to: hiring, employee development and management. Identify appropriate long-range plans, goals to address succession planning, and knowledge transfer.

**B. SUMMARY OF REQUEST (continued)**

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: This is a critical position because of the work that the Division has in front of it. The Division has recently gone through a restructuring of the organization which included consolidating of District offices in an effort to become more consistent in the application of regulations and statutes. The Division is also currently overhauling existing regulations (UIC, SB 4) and creating new regulations (Gas Storage, Idle Wells) which present several challenges managing such large scale projects. The Division is also creating additional program areas which are run out of Headquarters. This position will allow the Chief Deputy of the Division to focus on the four District offices and their projects and issues while providing direction to program areas in the Headquarter office. Amidst all of this, the Division is also implementing a new data system which further creates capacity issues with the workload.

The Department and the Division are highly science-based and rely heavily on scientific and engineering research and data. Part of the Department's mission is to preserve the State's natural resources, ensure the safe exploration of those resources and protect life, property and health. It is critical that the Division manage their programs in such a way to promote this. This position would provide executive level leadership and expertise to these vital programs in order to carry out that role.

**B. SUMMARY OF REQUEST (continued)**

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Founded in 1965, the California Department of Conservation (Department) is a department within the California Natural Resources Agency. The Department provides services and information that promote environmental health, economic vitality, informed land-use decisions, and sound management of our State's natural resources. The Department balances today's needs with tomorrow's obligations by fostering the wise use and conservation of energy, land, and mineral resources and fulfills this mission through four divisions: (1) California Geological Survey, (2) Division of Land Resources Protection, (3) Office of Mine Reclamation, and (4) Division of Oil, Gas, and Geothermal Resources. The Division of Oil, Gas, and Geothermal Resources (Division) was created in 1914 and is entrusted with balancing wise exploration/development of oil, gas, and geothermal resources vital to California's energy needs while protecting the environment. The Division oversees the construction, operation, and closure of oil, gas, and geothermal wells, a critical step in guarding drinking and agricultural waters against pollution.

The Division does not simply permit wells but monitors the chemicals used in underground injection and hydraulic fracturing as well as studies the engineering/geologic criteria that define proper confinement of oil and gas resources, injection of fluids, and propagation of fractures. This oversight requires a strong science-based regulatory program. It is anticipated that as the oil and gas industry evolves and new extraction techniques are developed, even more science-based determinations must be made to protect the environment and the health and safety of the citizens of California.

The CEA position will operate as the Assistant Deputy Director and reports directly to the State Oil and Gas Supervisor. The Assistant Deputy Director will also interact on a regular basis with the Director and Chief Deputy Director of the Department. The Assistant Deputy Director participates in planning, organizing, and directing the activities of the major program areas of the Division and prepares and recommends to the Chief Deputy policy governing the enforcement of laws within the State. Current high-level policy matters in the Assistant Deputy Director's realm include determining and recommending policy, funding, program changes, staffing, as well as enforcement actions including remedial orders, shut-down orders, misdemeanors, and civil penalties. The Assistant Deputy Director may represent the Division in high-level interactions with industry, environmental groups, media, as well as federal, state, and local agencies, city, state, and district attorneys, and elected officials. New law stemming from Senate Bill 4 (Pavley) require the Division to analyze data submitted by the oil and gas industry which include chemical constituents of injected and hydraulic fracturing fluid as well as fracture propagation and geologic features in the vicinity of wells subject to well stimulation. Additional legislative mandates such as Assembly Bill 1420 (Salas) require the Division, by 2018, to review, evaluate, and update existing regulations regarding active gas pipelines that are 10 years old or older and in sensitive areas. Additional requirements are being developed in the area of gas storage.

Emphasis on these new programs and the existing UIC program requires a significant increase in staffing and expertise to meet the new legislative mandates and other challenges where oil and gas activities occur in densely populated urban areas and are under intense scrutiny of the public, environmental groups, and the media. The Southern Area Office and the Inland Area Office have both doubled in size over the past three years to meet the challenge of renewed focus on oil and gas activities; however, due to the recent reorganization of the Division and with the expansion of duties and positions, the Headquarters office requires an additional layer of management oversight and technical expertise that can only be achieved by the creation of the CEA. In order for the Division to successfully implement the the new facilities program under AB1420, and a new gas storage program, the Division will have to initiate a thorough audit of production facilities.

These challenges may only be met by creating a management structure conducive to attracting qualified, highly technical personnel. The existing management structure is a remnant of the distant past and must be modernized to meet the challenges before the Division and Department.

### C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Division has primary regulatory authority for oil and gas production in the State of California. Oil and gas is a \$34 billion annual industry with nearly 100,000 active or idle wells subject to Division oversight. The CEA will have principle responsibility for setting and implementing policy ensuring the wise development of oil, natural gas, and geothermal resources and that such operations, including operation, maintenance, and abandonment of wells and facilities, are carried out consistent with the laws of the State and in a manner that will not endanger life, health, property, or natural resources.

The CEA is a high-level position that leads all program areas in our headquarter office and makes high-level decisions affecting all oil, gas, and geothermal operations under the Division's jurisdiction statewide. Sensitive oil, gas, and geothermal operations occur 24 hours/day and 365 days/year and policy decisions which could affect the environment and public health and safety are often required at any time, day or night. The CEA will develop district-wide policy to implement and enforce Division laws for the safe operation of oil, gas, and geothermal fields throughout California.

Special Projects and Investigations: Oil and gas industry issues such as Wilmington and Inglewood subsidence, AllenCo facility leak, Aliso Canyon storage field gas leak, Underground Injection Control program overhaul, dyatamite production and new hydraulic fracturing regulations, have prompted the Division to ramp up its technical capabilities in order to address these and other issues. The CEA will be charged with building new programs and revamping existing programs staffed by highly capable reservoir engineers, senior specialists, and other engineers and geologists who will focus on studying real and/or potential surface and subsurface damage, or potential damage caused by oil, gas, and geothermal activity, as well as looking at best management practices within the District.

Discretionary Decision-making Authority: The CEA will make discretionary policy decisions, such as plugging and abandonment (PRC, § 1723), tests for water shut-off (PRC, § 3223), and determination of long-term idle status of wells (PRC, § 3237(d)(1)). The CEA will also issue lawful orders in regards to: bonding of wells and assessments; re-abandonment to protect life, health, and property; plugging and abandonment of idle and deserted wells; cease and desist as a result of violations. Under PRC section 3236 and 3754 the CEA will have discretion in pursuing criminal charges for violations of statute or regulation.

The UIC Program - Under the UIC program, oil and gas operators apply to conduct "projects" which usually comprise of multiple wells drilled as a part of an overall system to extract oil and gas. Some projects inject water, steam, or other gas into a formation. All regulations administered by the Division in this area are being reviewed and evaluated. In some cases, new regulations are being added. DOGGR is attempting to meet and maintain compliance with all US EPA requirements. This task will be ongoing and the new CEA will be responsible for the program oversight and leadership.

Gas Storage - With the emergency in Aliso Canyon, the Division found that it's gas storage regulations fell short of what is needed to properly regulate the gas storage fields in California. Emergency regulations are currently in affect and the Division is looking to write new regulation in order to properly regulate this piece of oil and gas operations.

Idle Well Program - The State has approximately 21,000 idle wells. These wells need to be tested, regulated and inspected to ensure safety to life, property and the environment. New regulations will be needed to ensure that the risk to the State (environmental/financial) can be minimized by effectively managing this area.

**C. ROLE IN POLICY INFLUENCE (continued)**

**13. What is the CEA position's scope and nature of decision-making authority?**

The CEA position's scope is very broad and implements Division statute and regulation, makes discretionary decisions on behalf of the State, the State Oil and Gas Supervisor, and the Chief Deputy, enforces administrative, remedial, and emergency orders to prevent damage to life, health, and property as well as natural resources. The CEA's authority covers California; is a high-level decision maker and works directly with the Director and the Chief Deputy Director of the Department, the State Oil and Gas Supervisor, the Chief Counsel of Legal, the Assistant Director of the Office of Governmental and Environmental Relations, the Assistant Director of Administration, the Assistant Director of Communications, and the Resources Agency Consultant to the Director, to implement and enforce the statutes and regulations of the Division.

The CEA has broad authority to enforce laws under Title 2, Division 1, of California Government Code. In order for the Department to expand to meet the challenge of numerous new mandates, the CEA will oversee staff composed of highly-qualified managers and senior staff who will implement policy under the direction of the CEA. The CEA will direct the activities of three or four supervising oil and gas engineers, and indirectly six to eight senior oil and gas engineers and senior environmental scientists, and a staff of over 30 other engineers, geologists, engineering geologists, scientists, and clerical and administrative support staff including a staff services manager. The CEA will regularly communicate with the highest level officials in the Division and Department, including the State Oil and Gas Supervisor and the Director and Chief Deputy Director of the Department of Conservation, as well as top officials of other federal, state, and local governments, and elected officials throughout the State.

The CEA will lead the efforts to re-write and update regulations and policies of the existing programs. This position will work closely with the program managers to ensure the effective regulatory oversight of each and every program of the Division. This includes UIC, gas storage, SB 4, Idle Wells and new programs as the Division continues regulatory oversight of the oil and gas industry.

**14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?**

The CEA will be developing and implementing new policy as well as interpreting and implementing existing policy. New policies for oil and gas production facilities will be created for highly sensitive urban areas throughout the State. Several spills and gas releases in the State have resulted in the Division looking at its current framework of regulation and oversight. One area of regulation and oversight in need of significant overhaul is the facilities program which is charged with protecting the environment and public health and safety from adverse effects of oil and gas leaks at production facilities. The CEA will also assist in the development of the gas storage program and the redevelopment of the UIC program. The CEA will oversee the program and formulate, and assist in the direction of the activities of the various programs. The CEA will also assist with the implementation of new policy. For instance, the use of hydraulic fracturing required new policies and new regulations which would require engineering expertise in order to properly develop and implement these changes. The CEA will handle all of these functions and develop new policies to protect the health and safety of the citizens of the State. New policies will also be implemented to enforce new regulations and mandates throughout the State. Existing policies will also be reviewed and modified to allow the Division to more effectively regulate wells and facilities (including pipelines).