

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

2/16/16

2. Department

Department of Conservation

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

Division of Oil, Gas, and Geothermal Resources

4. CEA Position Title

Southern California Area District Deputy

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

This position is responsible for making executive-level decisions on behalf of the Chief Deputy, Division of Oil, Gas and Geothermal Resources on the following: ensuring production of oil, gas, and geothermal resources occurs in a manner that minimizes impacts to health, safety, and the environment; supervising the drilling, operation, maintenance, and abandonment of oil, gas, and geothermal wells and the operation, maintenance, and removal of attendant facilities; permitting owners/operators to increase the ultimate recovery of resources. This position receives delegated authority from the Chief Deputy to carry out the mandates of the program and often exercises discretion in carrying out the laws of the Division. This position also ensures that the State Oil and Gas Supervisor and the Director of the Department of Conservation have a wide-range of scientific input in making decisions that affect oil, gas, and geothermal operations, as well as decisions that protect public health.

6. Reports to: (Class Title/Level)

Chief Deputy, CEA B

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 CEA is a high-level decision maker and works directly with the Executive Management Team.

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.

The Department's Division of Oil, Gas, and Geothermal Resources (Division) oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells, as well as the operation, maintenance, and abandonment of oil and gas production facilities. The regulatory program emphasizes the development of oil, natural gas, and geothermal resources in the State through sound engineering practices that protect the environment, prevent pollution, and ensure public safety.

The CEA position operates as the Deputy to the Chief Deputy in the Division's Southern District which comprises Los Angeles, Orange, San Bernardino, Riverside, Imperial, and San Diego counties. The position has the delegated responsibility from the Chief Deputy to gather data and information of a scientific and engineering nature, implement and enforce laws of the State, and analyze complex operations and incidents which may pose a threat to the environment or health and safety in order to better serve the public. The CEA participates in planning, project development, and preparation of scientific and environmental analysis of regulated activities. The CEA independently, or in collaboration with federal, state, and local governments and city/district/state attorneys, directs investigations of suspected and real incidents of damage from oil and gas operations as well as directs the preparation of violations, enforcement orders, misdemeanors, and civil penalties.

The work of the Division in the Southern District requires that the CEA oversee a variety of engineering and scientific studies and programs, including reservoir engineering, drilling engineering, geology, hydrogeology, underground injection, oil and gas production, hydraulic fracturing, petrophysical studies, geothermal development, and other technical specialties that have immediate and direct impact to highly urbanized Southern California. In the Southern District, the CEA serves as the top oil and gas regulator in the region and is often viewed as the face of the Division to industry, local government, environmental groups, and the media. The CEA also regularly interfaces with the Director and Chief Deputy Director of the Department of Conservation as the region is the most densely populated in the State and even the most innocuous oil and gas activities receive a heightened degree of focus and attention that they would not otherwise receive in other areas of the State.

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: The Department and the Division are highly science-based and rely heavily on scientific and engineering research and data. Part of the the Department's mission is to preserve the State's natural resources, ensure the safe exploration of those resources, and protect the health and safety of the citizens during the exploration of those resources. The Division's mission, especially in the highly sensitive Los Angeles/Orange County region within the Southern District, is critical to the Department's mission to provide services and information that promote environmental health, economic vitality, informed land-use decisions, and sound management of the State's natural resources. The CEA provides executive-level knowledge and expertise on all Division programs.

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.

When oil was first discovered in the Los Angeles (LA) Basin in the late 19th Century, the region was sparsely populated. Today, the LA Basin has become among the most urbanized oil and gas provinces in the world with drilling and production activities occurring within feet of residential/commercial structures, streets, parks, airports, etc. The importance of the program is much more critical today than it was when the Division was first established. It is imperative that staffing resources, technical expertise, and appropriate management reflect that sensitivity.

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 operates as the Southern California Area District Deputy (Deputy) and reports directly to the Chief Deputy. The Chief Deputy delegates much of his/her authority to the Deputy to enforce oil and gas laws within the southern portion of the State which includes LA, Orange, San Bernardino, Riverside, Imperial, and San Diego counties. The Deputy also interacts on a regular basis with the Director and Chief Deputy Director of the Department. The Deputy participates in planning, organizing, and directing the activities of the Southern District office and prepares and recommends to the Chief Deputy policy governing the enforcement of laws within the jurisdiction of the district. Current high-level policy matters in the Deputy'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 Deputy represents 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 within the District. 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. Emphasis on these new programs and the existing underground injection control program requires a significant increase in staffing and expertise to meet the new legislative mandates and other challenges, especially in a region as heavily populated as Southern California 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 District office has 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 Southern District office requires an additional layer of management oversight and technical expertise that can only be achieved by creation of the CEA. In order for the Division to successfully implement the the new facilities program under AB1420, the Division will have to initiate a thorough audit of production facilities. Since the most sensitive production facilities in the state are located primarily in the LA Basin, the program would be built out of the Southern District office with the goal of statewide implementation in two to three years. The Southern District office is also in the process of developing a Special Projects and Investigation Unit to address other critical issues such as subsidence, natural gas leakage, and injection fluid confinement. 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. The district has also recently acquired geothermal operations in Imperial County and will soon be taking over two major gas storage fields including Aliso Canyon which will require a significant increase in staffing and management support.

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. As the Division's Southern District Deputy, the CEA will have principle responsibility for setting and implementing policy within the district for 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 operations in the district, and makes high-level decisions affecting all oil, gas, and geothermal operations under the Division's jurisdiction in Los Angeles, Orange, San Bernardino, Riverside, Imperial, and San Diego counties. 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 Southern California.

Facilities Program: The CEA will direct the creation of a new facilities audit program which will be charged with redeveloping the existing statewide facilities program by focusing on aging oil and gas production facilities equipped with out-of-date systems in highly urbanized Los Angeles and Orange Counties. A systematic audit of facilities throughout the district will be implemented to identify gaps and inconsistencies in process safety systems at these facilities, out of which new minimum standards will be created and new regulatory and/or statutory language will be proposed to implement a more robust, modern, and effective facilities program statewide. The statewide impact of having clear and a comprehensive policy regarding minimum accepted industry safety standards and practices at oil and gas processing facilities will result in a significant decrease in the likelihood of environmental damage and threats to public safety. Revamping the Division's safety program will also be conducted in collaboration with local governments. The facilities program will also be charged with implementing Assembly Bill 1420, which requires the Division, by January 1, 2018, to review and evaluate, and update as appropriate, its existing regulations regarding all active gas pipelines that are 4 inches or less in diameter, in sensitive areas, and 10 years old or older, as specified. The bill would define active gas pipelines as in-service gas pipelines, regardless of diameter, within the Division's jurisdiction. The bill would require operators of active gas pipelines in sensitive areas, by January 1, 2018, to submit maps identifying the location of those pipelines and other locational information to the Division. The bill would require the Division to perform random periodic spot check inspections to ensure that the submitted maps are accurately reported. The bill would require the Division to maintain a list of active gas pipelines in sensitive areas.

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, and new hydraulic fracturing regulations, have prompted the Division to ramp up its technical capabilities in order to address these and other issues. Such issues are even more pronounced in the highly populated Southern California region. The CEA will be charged with creating a new unit within the district 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; reabandonment 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.

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 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 a very large region within California encompassing Los Angeles, Orange, San Bernardino, Riverside, Imperial, and San Diego counties, as well as all State offshore waters from the Ventura/Los Angeles county line to the US/Mexico border. The CEA 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 in the Southern District region. The CEA has broad authority to enforce laws under Title 2, Division 1, of California Government Code. In order for the District to expand to meet the challenge of numerous new mandates, the CEA will create a new management structure and team 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 two or three assistant deputies, four to five senior oil and gas engineers, two to three senior specialists including reservoir engineers and process safety engineers, and a staff of over 60 other engineers, geologists, engineering geologists, 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 in Southern California.

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 which the Southern District covers. Several spills and gas releases in the State have resulted in the Division to look 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 develop new policy by creating a new facilities safety audit program within the district which will analyze aging oil and gas facilities and practices in the highly urbanized Los Angeles Basin. Once the facilities safety audit program is fully implemented and successfully performing, the program will expand statewide. The CEA will also hire a qualified manager to oversee the program and hire specialists, formulate, and assist in the direction of the activities of that program. 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 create a Special Projects and Investigations Unit to assist other units within the District who will be charged with implementing the new policies to protect the health and safety of the citizens of the state. This unit will be staffed with highly qualified reservoir engineers and other specialists. New policies will also be implemented to enforce new regulations and mandates throughout the Southern District. Existing policies will also be reviewed and modified to allow the Division to more effectively regulate wells and facilities (including pipelines) in highly-urbanized areas, such as within Los Angeles and Orange counties.