

Environment & Energy

# Oil Industry Aims to Thwart California Setbacks by Referendum

By Zach Bright

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- New state law implementation would be paused if on ballot
  - Law would require 3,200-foot oil and gas setback zones
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Oil and gas companies are poised to block the implementation of a California law passed this year that would end drilling within just over half a mile of schools, businesses, and residences.

A signature-gathering effort to turn oil setback requirements into a 2024 ballot question has garnered more than 978,000 signatures, the California Independent Petroleum Association (CIPA), which is spearheading the effort, said Tuesday. If just under 625,000 signatures are successfully verified, the measure would qualify for a referendum.

The referendum would delay and could overturn safeguards that Gov. Gavin Newsom (D) made a cornerstone of his environmental agenda. The law requires 3,200-foot setback zones for new and modified oil and gas wells and tightens oversight of existing wells as soon as Jan. 1.

It would affect more than 28,000 operational wells that fall within the setback zone, according to the FracTracker Alliance, a nonprofit that monitors oil and gas wells with the goal of advancing alternatives with lower health and environmental risks.

If voters are left to approve or reject the setback law, the oil companies and industry groups would be able to continue to drill within the setback zones until the 2024 election, according to the California attorney general's office.

"The outcome of this could really determine what happens next in the oil and gas playbook around the nation. And that's a really, really big deal," said Kobi Naseck, coalition coordinator for Voices in Solidarity Against Oil in Neighborhoods (VISIÓN). California is the seventh-largest oil-producing state, and other states with plans for setback rules could face similar tactics, he said.

## Alleged Deception

CIPA said setback distance requirements would increase the state's dependence on foreign oil, and that the new limitation didn't have a scientific basis.

“California-produced oil is the most climate-compliant oil in the world,” CIPA CEO Rock Zierman said in a statement. “Foreign oil imports are totally exempt from those requirements.”

But a California oil and gas public health and scientific panel in October 2021 reported on the public health risks oil sites can pose to nearby communities.

Environmental and public health groups including VISIÓN, California Environmental Voters, and the Food & Water Watch have accused people gathering signatures for the petition of deliberately deceptive and misleading tactics.

Oakland resident Pete Woiwode said he was approached twice within the same month to sign a petition, first told it would lead to lower gas prices in California and the next time that the petition was aiming to implement setback distances to begin with.

University of California Berkeley sophomore Bella Weksler said signature gatherers on her school’s campus were also spreading false information on the purpose behind their petitions.

CIPA didn’t respond to requests for comment on allegations of deceptive signature gathering.

Proponents of the law said they plan to file complaints with the Fair Political Practices Commission and the state attorney general to show that the referendum got on a ballot in “a corrupt and dishonest way” by hijacking “a flawed system,” said Tomás Morales Rebecchi, organizing manager for Food & Water Watch.

Jay Wierenga, a spokesperson for the FPPC, said the commission doesn’t handle deceptive signature gathering and would automatically dismiss a complaint on those grounds.

### **Looking to Newsom**

Signatures submitted will need to undergo certification from the California secretary of state, a process that could take several months. In the meantime, environmental groups are looking to the governor to prevent a delay in the law’s implementation.

The governor shepherded the setback legislation, S.B. 1137, through Legislature. He also has called for a special legislative session, aiming to pass a windfall tax on excess oil and gas profits.

One way Newsom could act would be by imposing a de facto moratorium on oil wells within 3,200 feet until 2024, Rebecchi said.

Newsom’s office didn’t indicate whether he would intervene in the matter.

“Big Oil prioritizes profits over people, every time. They are spreading lies and spending millions to continue dangerous oil drilling near schools, parks and day cares because they know they can’t win with the truth,” the governor’s communications director, Erin Mellon, said.

## Behind the Ballot

Local and statewide operators, such as E&B Natural Resources and Crimson Resource Management, have contributed more than \$18 million to the CIPA's referendum effort.

Oil giants and organizations like the Western States Petroleum Association, which fought against S.B. 1137's passage, have stayed out of the referendum fight and let smaller companies foot the bill.

Using a referendum to overturn policy that would threaten certain oil and gas operations mirrors an industry-led effort in 2020 to similarly delay and overturn a measure first passed by the Ventura County Board of Supervisors to strengthen county environmental reviews of oil and gas drilling.

The oil industry brought the measure up to a referendum, secured a pause in its implementation until a vote happened. It then won in November on two measures related to the environmental reviews.

Ventura, Kern, and Los Angeles counties are where a majority of oil drilling in California takes place, and drilling there disproportionately takes place in communities of color that are often overburdened by pollution, Naseck from VISIÓN said.

"We know that there's proven health harms from neighborhood drilling," he said. "It's just like lead paint. It's just like putting seat belts in cars. It's time that we do something about this."

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