

1 UNITED STATES DISTRICT COURT
2 FOR THE CENTRAL DISTRICT OF CALIFORNIA
3 WESTERN DIVISION

4 CENTER FOR BIOLOGICAL DIVERSITY,) Civ. No. 2:20-cv-11334-FWS-KS
5 et al.)
6 Plaintiffs,)
7 vs.)
8 U.S. BUREAU OF LAND MANAGEMENT,)
9 et al.,)
10 Defendants.)

11 **SETTLEMENT AGREEMENT**

12 This Settlement Agreement (“Agreement”) is entered into by and between
13 Plaintiffs Center for Biological Diversity and Los Padres Forest Watch, and
14 Defendants United States Bureau of Land Management, Debra Haaland,¹ Secretary of
15 the Interior, and Gabriel Garcia, Field Manager of the Bakersfield Field Office
16 (individually, “Party”; collectively, “the Parties”), who, by and through their
17 undersigned counsel, state as follows:

18 WHEREAS, on May 21, 2020, BLM issued a Decision Record approving the
19 Application for a Permit to Drill (“APD”) from E&B for the New Well Schlaudeman
20 #354-23 within the Carrizo Plain National Monument. That decision was based on a
21 revised Environmental Assessment and Finding of No Significant Impact;

22 WHEREAS, Plaintiffs challenged that Decision Record on December 15, 2020,
23 in the First, Second and Third Claims in this action alleging violations of the Federal
24 Land Policy and Management Act (FLPMA), the National Environmental Policy Act
25 (NEPA), the 2010 Carrizo Plain National Monument Resource Management Plan, and
26

27 ¹ In accordance with Federal Rule of Appellate Procedure 43, Debra Haaland has been substituted for the former Secretary of the Interior David Bernhardt.

1 the Administrative Procedure Act (APA);

2 WHEREAS, the challenged APD expired on May 19, 2022, and E&B did not
3 seek renewal of that APD. Accordingly, E&B is no longer authorized to develop the
4 New Well Schlaudeman #354-23.

5 WHEREAS, in 2013 BLM issued a written order that E&B had 12 idle wells
6 within the Carrizo Plain National Monument that should be returned to production, or
7 plugged and abandoned.

8 WHEREAS, Plaintiffs contend in the Fourth Claim in this action that BLM
9 failed to comply with the 2010 Carrizo Plain National Monument Resource
10 Management Plan “to ensure the timely plugging, abandonment, and reclamation of
11 E&B’s 12 idle wells” in the Monument, alleging violations of FLPMA, the 2010
12 Carrizo Plain National Monument Resource Management Plan, and the APA. (Compl.
13 ¶¶ 66-69). Plaintiffs specifically contend that BLM failed to ensure that the 12 idle
14 wells identified by BLM in 2013 (RRU 24-25, RRU 54-25, RRU 11-25, RRU 43-25,
15 RRU 44-25, RRU 32-25, RRU 46-25, RRU 21-25, RRU 35-25, RRU 77-23, RRU
16 922-25, and RRU 111-25; Compl. ¶ 40, fn 1) within the National Monument are
17 timely plugged, abandoned, and reclaimed. (Compl. ¶ 67).

18 WHEREAS, RRU 24-25 is currently an active water injection well, is no longer
19 idle, and thus is not currently subject to requirements for plugging, abandonment, and
20 reclamation.

21 WHEREAS, E&B has stated it is committed to plugging and abandoning within
22 five years the 11 currently idle wells identified by Plaintiffs in this lawsuit (RRU 54-
23 25, RRU 11-25, RRU 43-25, RRU 44-25, RRU 32-25, RRU 46-25, RRU 21-25, RRU
24 35-25, RRU 77-23, RRU 922-25, and RRU 111-25) (see attached letter from E&B at
25 3);

26 NOW, THEREFORE, the Parties hereby agree as follows:

27 1. Within 20 days of the execution of this Agreement, the Parties will jointly

1 move to dismiss Plaintiffs’ First, Second, and Third Claims with prejudice, and
2 Plaintiffs’ Fourth Claim without prejudice, in accord with Federal Rule of Civil
3 Procedure (FRCP) 41(a), and the Parties will jointly request the Court to retain
4 jurisdiction (as agreed in Paragraph 16).

5 2. BLM will prepare an Environmental Assessment (“EA”) under NEPA, and
6 conduct all necessary Endangered Species Act (“ESA”) effects determinations and/or
7 consultations, for an order directing well abandonment operations² for the following
8 11 currently idle wells: RRU 54-25, RRU 11-25, RRU 43-25, RRU 44-25, RRU 32-
9 25, RRU 46-25, RRU 21-25, RRU 35-25, RRU 77-23, RRU 922-25, and RRU 111-
10 25. The EA will analyze unneeded or redundant well pads, access roads, pipelines and
11 infrastructure associated with the 11 idle wells. The EA may also analyze, at BLM’s
12 discretion, activities associated with the removal of electrical infrastructure (poles,
13 powerlines, and other related equipment) installed and operated to serve the 11 idle
14 wells, and activities needed to reclaim and revegetate disturbance from that electrical
15 infrastructure.

16 3. BLM will hold at least a 30-day public comment period on the EA referenced
17 in Paragraph 2, and will notify Plaintiffs when the public review period begins and
18 when any written Decision Record is issued.

19 4. Within 10 business days of the issuance of the final Decision Record, BLM
20 will issue a written order (“Order”) requiring E&B to complete well abandonment
21 operations on the 11 wells listed in Paragraph 2. BLM will issue this Order within 1
22 year of the date of this Agreement. The Order will provide: (1) that well abandonment
23 operations must be completed by a specified date, which may not be more than 5 years
24 after the Order’s issuance date; and (2) that those well abandonment operations must
25 be completed in accordance with the plugging, abandonment, and reclamation

26 _____
27 ² For purposes of this Agreement, “well abandonment operations” refers to downhole
plugging and abandonment activities, as well as associated reclamation activities.

1 requirements outlined in the Decision Record. BLM will notify Plaintiffs when the
2 Order is issued.

3 5. Once the Order is issued, BLM will monitor E&B's well abandonment
4 operations and provide annual reports to Plaintiffs on the status of abandonment
5 operations by well number. These reports will include information regarding
6 compliance with the established schedule in the Order.

7 6. BLM may approve a request from E&B for a reasonable extension of time to
8 complete well abandonment operations. BLM will approve a reasonable extension of
9 time if BLM, in its sole discretion, and after notice to Plaintiffs and an opportunity of
10 at least 7 days to respond to BLM regarding the reasonableness of the requested
11 extension and the appropriateness of the justification, determines appropriate
12 justification exists for such an extension. If one or more extensions of time requested
13 by E&B would require a modification of the BLM's commitments that the well
14 abandonment operations will be completed no more than 5 years after the Order's
15 issuance date, however, as set out in Paragraph 4, the Parties will meet and confer
16 (either telephonically or in person) in a good faith effort to consider modification of
17 the schedule contemplated in this Agreement before seeking relief from the Court.

18 7. Plaintiffs reserve the right to comment on and challenge any alleged
19 inadequacy in the NEPA analyses and ESA effects determinations and/or
20 consultations referenced in Paragraphs 2 and 3, including associated decisions by
21 BLM and the U.S. Fish and Wildlife Service, provided that Plaintiffs must satisfy all
22 applicable pleading and jurisdictional requirements for any challenge in the form of a
23 civil action.

24 8. Plaintiffs' only remedies for challenging any alleged inadequacy in the
25 NEPA analyses and ESA effects determinations and/or consultations and associated
26 decisions referenced in Paragraph 7 are to pursue an administrative review or appeal
27 under relevant Interior regulations or to file a new civil action under the judicial

1 review provisions of the APA and/or the ESA's citizen suit provision. Any Federal
2 court civil action filed by any of the Plaintiffs in this matter will toll the schedule
3 outlined in Paragraph 4 of this Agreement, as well as the completion date of the
4 Order, until such time as the civil action is concluded through a final judgment and
5 appeal or dismissal. Additionally, any administrative review or appeal that results in a
6 stay or remand of the EA, Decision Record, or Order referenced in Paragraphs 2, 3,
7 and 4 will toll the schedule outlined in Paragraph 4 from the time the EA, Decision
8 Record, or Order is stayed or remanded until the time the stay is lifted or a new Order
9 is issued.

10 9. In the event of a dispute concerning BLM's compliance with the
11 commitments in Paragraphs 2 through 6, Plaintiffs will provide Defendants with
12 written notice of the perceived violation. The Parties agree that they will meet and
13 confer (either telephonically or in person) in a good faith effort to resolve any dispute
14 before seeking further relief. If the Parties are unable to resolve the dispute
15 themselves, then Plaintiffs may seek an order from the Court to find that BLM failed
16 to comply with one or more commitments in Paragraphs 2 through 6, and if the Court
17 finds that BLM failed to comply with one or more of these commitments in the
18 Agreement, the Court can issue an order requiring compliance on a set schedule.

19 10. The Parties agree to bear their own attorneys' fees and costs in this
20 litigation.

21 11. No part of this Agreement shall have precedential value in any litigation or
22 in representations before any court or forum or in any public setting or in any future
23 discussion with BLM or other federal departments or agencies. This Agreement is
24 executed for the sole purpose of settling Plaintiffs' Complaint, and nothing herein
25 shall be construed as precedent having preclusive or persuasive effect in any other
26 context.

27 12. Nothing in this Agreement shall be construed or offered as evidence in any

1 proceeding as an admission or concession of any wrongdoing, liability, or any issue of
2 fact or law concerning the claims settled under this Agreement or any similar claims
3 brought in the future by any other party. Except as expressly provided in this
4 Agreement, none of the parties waives or relinquishes any legal rights, claims, or
5 defenses it may have.

6 13. The Parties agree that this Agreement was negotiated in good faith and that
7 it constitutes a settlement of claims that were disputed by the Parties. This Agreement
8 contains all the terms of agreement between the Parties concerning the Complaint, and
9 is intended to be the final and sole agreement between the Parties with respect thereto.
10 The Parties agree that any prior or contemporaneous representations or understanding
11 not explicitly contained in this written Agreement, whether written or oral, are of no
12 further legal or equitable force or effect.

13 14. The undersigned representatives of each party certify that they are fully
14 authorized by the Party or Parties they represent to agree to the terms and conditions
15 of this Agreement and do hereby agree to the terms herein. Further, each Party, by and
16 through its undersigned representative, represents and warrants that it has the legal
17 power and authority to enter into this Agreement and bind itself to the terms and
18 conditions contained in this Agreement.

19 15. The terms of this Agreement shall become effective upon signature by the
20 Parties.

21 16. Notwithstanding the dismissal of this action, the Parties hereby agree to
22 comply with the terms of this Agreement. In the motion of dismissal contemplated in
23 Paragraph 1, the Parties will jointly request that the Court retain jurisdiction to oversee
24 compliance with the terms in Paragraphs 2 through 6 of this Agreement, subject to the
25 limitations described in Paragraphs 6 and 9, and to resolve any motions to modify
26 such terms. *See Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375 (1994).
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Dated: _____, 2022



Digitally signed by Jeff Kuyper
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ForestWatch, ou,
email=jeff@LPFW.org, c=US
Date: 2022.08.02 09:27:20 -0700'

Jeff Kuyper, Executive Director
Los Padres ForestWatch

Dated: _____, 2022

Ileene Anderson

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Date: 2022.08.01 16:13:49 -0700'

Ileene Anderson
Public Lands Deserts Director
Senior Scientist
Center for Biological Diversity

Dated: _____, 2022

Lisa T. Belenky

Digitally signed by Lisa T. Belenky
Date: 2022.08.02 09:16:40 -07'00'



Digitally signed by
Matthew J. Sanders
Date: 2022.08.02
08:40:17 -07'00'

Approved as to form:
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Attorneys for Plaintiffs

1 Dated: _____, 2022

TODD KIM
Assistant Attorney General
Environment & Natural Resources Division

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3
4 SHANNON BOYLAN Digitally signed by SHANNON BOYLAN
Date: 2022.08.02 13:31:23 -04'00'

5 SHANNON BOYLAN (DC Bar No. 1724269)
6 United States Department of Justice
7 150 M Street NE
8 Washington, D.C. 20002
9 Tel.: (202) 598-9584
10 Fax: (202) 305-0506
11 shannon.boylan@usdoj.gov

Attorneys for Defendants

12 Attachment:

13 E&B Natural Resources letter to Kevin Coodey Assistant Field Manager, Minerals,
14 Bureau of Land Management (BLM), dated January 21, 2022, Re: CPNM Permit
15 withdraw and idle well elimination plan



1608 Norris Road • Bakersfield, CA 93308

January 21, 2022

Transmitted electronically to: KCoodey@blm.gov

Kevin Coodey
Assistant Field Manager, Minerals
Bureau of Land Management (BLM)
35126 McMurtrey Avenue
Bakersfield, CA 93308

Re: CPNM Permit withdraw and idle well elimination plan

Dear Mr. Coodey,

As discussed, E&B Natural Resources Management Corporation is providing a settlement offer for plugging and abandonment of its 11 wells on the attached list.

The terms include plugging and abandoning 3 of the subject wells by December 31, 2022. E&B shall plug and abandon an additional 2 subject wells within each 12-month period, thereafter, resulting in all wells being plugged and abandoned by December 31, 2026.

Schedule of Eliminations

12-month periods	Wells to be eliminated
By December 31, 2022	3 wells
January 1, 2023 – December 31, 2023	2 wells
January 1, 2024 – December 31, 2024	2 wells
January 1, 2025 – December 31, 2025	2 wells
January 1, 2026 – December 31, 2026	2 wells
Total wells by December 31, 2026	11 wells

E&B may plug and abandon more than the designated number of wells during any 12-month period noted above. The excess number of wells will be attributed to a future 12-month period. Upon good cause shown, E&B may request an extension of the time to achieve compliance from an applicable deadline.

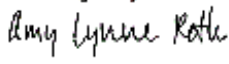
The company will also withdraw the Schlaudeman 354-23 well permit as a part of a settlement agreement with the above noted terms.



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After reviewing this letter, please contact me with any questions and next steps. I am available to discuss this matter at your convenience. I can be reached at aroth@ebresources.com or (562) 548-6815.

Sincerely,

DocuSigned by:

Amy Roth

Amy Roth
VP Regulatory Oversight
E&B Natural Resources Management Corporation

Enclosure: Well Listing

cc: Jennifer Nastor, Petroleum Engineer, Bureau of Land Management
Dave Faires, Natural Resources Specialist, Bureau of Land Management

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Enclosure: Well Listing

Well Listing

API	Well Designation
7900929	R. R. U. 46-25
7901021	R. R. U. 77-23
7901028	R. R. U. 21-25
7900921	R. R. U. 35-25
7900926	R. R. U. 43-25
7900927	R. R. U. 44-25
7900932	R. R. U. 54-25
7901019	R. R. U. 922-25
7900941	R. R. U. 111-25
7901017	R.R.U 11-25
7900090	R.R.U 32-25

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