NATIVE OIL PRODUCERS and EMPLOYEES of CALIFORNIA

Challenging Senate Bill 1137

In the last five days of the 2022 session, the California Legislature hastily passed Senator Lena Gonzalez's (SD-33) Senate Bill 1137, which imposes a 3,200-foot arbitrary setback for oil operations. Supporters of SB 1137 claimed that there are proven health impacts from living near an oil well. The state, however, has not produced actual scientific studies that prove this causation in California. In fact, the state ignored studies that prove otherwise.

The state tried to justify the passage of SB 1137 with weak findings of a Scientific Advisory Panel (SAP). Many of the studies used by the SAP evaluate high-volume fracking, a process that is currently not allowed in California and was never widely used in the state. Of the 69 studies cited by the SAP, 45 are from other states that don't have California's stringent environmental rules, and 19 don't focus on oil and gas production at all. None demonstrate causation between oil field operations and negative health impacts. Many California-specific studies that show in-state production is safe were purposely ignored.

In May of 2025, the **Native Oil Producers and Employees of California (NOPEC)**, in partnership with a group of mineral royalty owners, filed two lawsuits against the state to challenge SB 1137.

The lawsuits challenge SB 1137 by putting the state's science on trial, while advocating for California's oil producers to continue supplying the world's only climate-compliant oil, meeting the energy demands of Californians while reducing the dependency on more expensive foreign oil that drives up Californians' already sky-high gasoline prices.

The local energy production in California that SB 1137 will shut down is all duly permitted by state and local agencies. Furthermore, the law also eliminates the value of private property from property owners without just compensation in violation of the US Constitution's Fifth Amendment. As a result, the state will face massive illegal takings legal claims.

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California Producer Suit

Mineral Owner Suit

Who is NOPEC?

Native Oil Producers and Employees of California (NOPEC) is a 501(c)(6) non-profit organization founded to defend the rights of homegrown energy producers and California oil workers by taking legal action to overcome illegal government policies.

NOPEC is led by a board of California independent producers who are committed to fighting on behalf of the cleanest oil production on the planet.

The Case Against SB 1137

SB 1137 Will Lead to a Further Reliance on Imported Foreign Oil

Californians consume 1.8 million barrels of oil every single day. Demand has not fallen, even as the state spends taxpayer funds to aggressively subsidize alternative energy. Every barrel not produced in-state by California-based workers must be tankered in from a foreign country.

In-state production has fallen by nearly half in the last six years since 2019. California must now import 75% of the oil it consumes. These foreign imports are completely exempt from California's strict environmental rules and regulations, including its greenhouse gas cap and trade program. SB 1137's prohibition against any new wells or maintenance on existing wells will lead to less in-state production and increased tanker traffic bringing foreign imports into our crowded ports.

Science Does Not Support a 3,200-Foot Setback

Proponents of the bill claimed there was scientific consensus on the effects caused by living within 3,200 feet of a well. This is false. Not only is the 3,200-foot setback distance completely arbitrary, but it is also not supported by any peer-reviewed scientific study. Claims of health impacts are not based on scientific studies, but on a survey of reports, many by advocacy groups that had no scientific basis or relation to California production practices.

California already imposes the world's most stringent air emissions regulations on petroleum production.

California has also implemented a cap-and-trade program for greenhouse gas emissions, and every barrel of oil produced in California is compliant with that law. Imports are completely exempt.

In addition, the State Fire Code, Section 5706, already specifies a required 300-foot setback between new oil and gas wells and residences, schools, and hospitals.

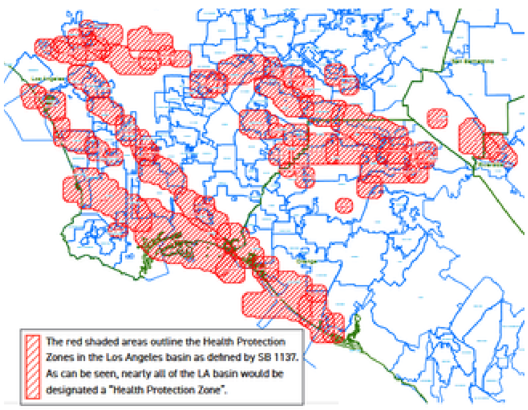
These factors together make California the strongest regulatory environment anywhere for petroleum production. Consumers deserve a California-specific approach tailored to address the complexities of oil and gas production in our state.

Setbacks Work Both Ways—Could Shut Down New Housing and Affect Home Values

Since a new development of any kind within 3,200 feet of an existing oil facility would prevent that operator from drilling new wells or maintaining their existing ones, that operator would have to object to any new housing project since approval would constitute a taking of their property rights.

As a result, much-needed housing projects in southern California and throughout the state could be curtailed.

Furthermore, if the state declares all these areas as "Health Protection Zones," that could negatively affect home values within those zones, which would be particularly troubling since the science does not justify such a setback.



How SB 1137 will affect LA Basin