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Fact Sheet: Assessment of Oil and Gas Well Ownership Transfers in CA

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May 18, 2023 - [A new report by FracTracker Alliance](#) on well transfers between oil and gas operators (companies) in California shows that the majority of oil and gas wells in California have transferred ownership, with almost all of the transfers occurring since 2010. The analysis shows that larger operators consistently divest from wells near or past the end of their productive lifespans and transfer their ownership to smaller operators. This report established that ownership transfers in the oil and gas industry tend to occur near the end of the productive life of an oil or gas well, with the transfers occurring once the majority of profit is extracted from a well.

Key Findings of [the Report](#):

- **Results show more than half of oil and gas wells in California (51.1%) wells have changed ownership between 1998 and 2022. The vast majority of these transfers have occurred since 2010 (99.7%).**
- **The majority (78%) of well transfers were the result of California exit divestments - oil companies completely divesting from California exploration and production operations.**
- **About 6% of well transfers were from operators that declared Chapter 7 bankruptcy.**
- **Nearly half of all the wells transferred between operators were plugged wells, while just over 35% of the well transfers were for active wells.**
- **Only 2.2% of wells transferred produced more than 15 bbls/day (above the stripper well threshold).**
- **Only 24% of the well transfers were acquisitions by larger or similarly sized operators. About 40% of those acquisitions by larger companies were active wells, but the vast majority of the active wells were stripper wells (98.4%), and only 6.6% of the active wells produced more than 5 bbls/day.**

The report finds that more comprehensive bonding requirements are necessary to protect the state of California from being left financially accountable for the plugging and abandonment of tens of thousands of orphaned oil and gas wells.