

Preserving California's Energy Supply

Client:	Western States Petroleum Association
Industry:	Energy
Area of Law:	Environmental Litigation
Venue:	Superior Court of California, County of Alameda
Result:	Won denial of the preliminary injunctive relief sought by plaintiffs



“Vacating the emergency regulations ... in the manner preferred by Plaintiffs appears likely to cause greater harm to the environment than allowing the corrective action plan to remain in place.”

—Judge George C. Hernandez Jr., Superior Court of California,
County of Alameda

Faced with a possible shutdown of thousands of injection wells across the state of California, the Western States Petroleum Association (WSPA)—the oldest petroleum trade association in the United States, with members responsible for the vast majority of oil production in California—called on Pillsbury. We defended WSPA’s interests in a lawsuit brought by environmental groups against the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR).

Injection wells are essential to 80 – 85 percent of all oil production in California, and underground injection operations have been used safely for decades to enhance oil recovery and dispose of water produced along with oil and gas. Injection wells are sometimes used in combination with hydraulic fracturing and other well stimulation treatments to increase the flow of oil to the surface. A shutdown of even a small percentage of injection wells would have adversely impacted the public, the oil industry, California’s economy and the state’s tax base, at a cost in the billions.

Certain environmental groups nonetheless moved for a preliminary injunction to close thousands of these injection wells and set aside the DOGGR regulations that contemplated their continued operation. Pillsbury lawyers successfully intervened in the lawsuit for WSPA and, together with DOGGR and energy companies, defeated plaintiffs’ motion for a preliminary injunction.

The court agreed with WSPA and the energy companies that the harm to the public from granting the requested injunction—“including the impact on California’s economy of an immediate, across-the-board shut-down of injection wells”—would be “substantial and almost certain to occur.” The court therefore denied the requested injunctive relief, holding the “theoretical and speculative” threat of contamination was “plainly outweighed” by the “potential harm to the public if this court were to vacate the emergency regulations and order DOGGR to proceed against over 2,000 (and possibly up to 6,100) wells via individual enforcement actions... .”