**Legal Title**  
Acute Orphan Well Account, Oil, Gas, and Geothermal Administrative Fund

**Legal Citation/Authority**  
Chapter 336, Statutes of 2005 (AB 1471)  
Public Resources Code section 3261

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**Purpose**  
The account was created to deposit fees imposed upon persons operating oil and gas wells in the state, or owning royalty or other interests in respect to the production from the well.  
The account shall be used to plug, abandon, and further secure an acute orphan well. Use of moneys in the account is limited to the minimum work necessary to eliminate any immediate risk to life, health, or natural resources.  
A maximum of 5 percent of the total annual fees deposited into the account may be used by the division to administer the account, and to reimburse the division for any costs associated with developing the criteria required under Section 3262 and any costs incurred for the development of regulations.

**Administering Agency/Organization Code**  
Department of Conservation/Org 3480

**Major Revenue Source**  
Fees imposed upon those operating an oil and gas well in the state.

**Disposition of Fund (upon abolishment)**  
Pursuant to Government Code 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.

**Appropriation Authority**  
The money in this fund is available upon appropriation by the Legislature.

**State Appropriations Limit**  
Excluded – Revenues in this fund are not proceeds of taxes, however, when transferred, may become proceeds of taxes. These revenues are used to regulate the activities engaged in by the payers.

**Comments/Historical Information**  
Section 3263(c) of the Public Resources Code states, unless authorized by the Legislature, on or after January 1, 2008, the division shall not collect the fees established pursuant to Public Resources Code section 3263(a).  
Pursuant to Section 3265, if the balance in the account exceeds $1,500,000 at the start of the fiscal year, the collection of all fees set forth in Section 3263 will be suspended for that year.