

# SJV WATER

---

## San Joaquin Valley well drillers say they are struggling to meet state air regulations

December 2, 2024

By: Jesse Vad



Well drillers are having a hard time updating expensive equipment to meet state air quality regulations. Some are giving up the business while others are moving their trucks at night to avoid run-ins with any potential regulators.

It's a situation that has added further pressure to the drilling business which is already suffering because of the hurting agricultural economy in the San Joaquin Valley.

About a decade ago, well drillers were feeling pretty safe as they worked to meet clean air requirements, said Tom Krazan, manager of Kings River Drilling in Fresno County.

"We invested almost two million bucks in all the equipment," Krazan said of his company. "We all felt safe in our equipment."

But regulations changed over the years and soon, Krazan and others found themselves out of compliance with expensive equipment that had been okay to use a few years earlier.

The California Air Resources Board (CARB) oversees air regulations for diesel trucks. There are multiple regulations in place that drillers must comply with as detailed by a spokesperson from CARB via email:

- The Clean Truck Check requires owner/operators report use of their vehicle, pay annual fees and report emissions results starting January, 2025.
- Diesel-powered vehicles must have a 2010 or newer model year engine, with limited exemptions.
- Two-engine water well drilling rigs fall under the [In-Use Off-Road Diesel-Fueled Fleets Regulation](#), in effect since 2007. It requires fleets to move to cleaner equipment as vehicles are replaced; enter vehicles in the CARB database; label vehicles to indicate compliance; and meet a decreasing annual fleet average to ensure reduced emissions. Compliance dates are based on fleet size for categories that range from large to “ultra small,” ending in 2036.

Diesel trucks, such as those used for drilling, are a significant problem in the valley, according to the CARB spokesperson who added that the agency provides vouchers to incentivize switching to hybrid or zero-emissions trucks as well as funding for small businesses to switch to zero-emissions vehicles and grants to retrofit older vehicles.

But for well drilling, there are no zero-emissions options, said Krazan.

“There’s nobody that has a non-diesel option at this time,” he said.

He said he’d have to plug into about three households simultaneously to get enough power to run his drilling rig. Especially for operating in remote rural areas, going electric doesn’t seem to be a viable option for drillers, said Krazan.

Some drilling businesses in California have already started to fold, he said. A couple have taken their equipment to Nevada to sell, he added. Others are only moving their equipment under the cover of night to avoid having to comply with regulations, said Krazan.

Some drillers have been able to get their equipment up to date – but at a cost.

“I spent probably \$2 million getting my stuff straightened up,” said Wes Harmon, a well driller with Big River Drilling in Fresno County. “I spent my life savings.”

Harmon spent the money over the past three years.

“Very few people can do that,” said Harmon.

Many of the drilling companies in the valley are small, family-run businesses. They can’t do what Harmon did to stay in compliance.

“There’s no way these mom and pop shops can afford to stay in business,” said Harmon.

Harmon still has a couple pieces of equipment that need updating but he can’t afford those changes yet.

“Recognizing the challenges that smaller businesses face, CARB allowed additional time for smaller owner/operators to comply with the phase-in requirements of the Off-Road Regulation, in some cases 12 years for the smallest fleets,” wrote the CARB spokesperson in response to the challenges facing drillers, in an email.

The regulations go into effect this year so the smallest fleets will have until 2036 to phase out old equipment.

"In addition, the [Clean Off-Road Equipment Voucher Incentive Project](#) (CORE) program is currently open to off-road applications to help offset the costs of compliance. CARB encourages well drillers to apply today for incentive funding," the spokesperson wrote.

Vouchers range from \$30,000 to \$500,000 for agricultural equipment, according to a CARB frequently asked questions [page](#). But Harmon said "ag equipment" doesn't include well drilling rigs.

Besides, a new well rig that meets CARB standards costs \$1.2 million, according to Krazen. So, while \$500,000 is significant, it would still require a huge outlay by owner/operators/

So far, there hasn't been a shortage of drilling companies for new wells, but the cost for well drilling services have surged in the last few years.

Nonprofit Self-Help Enterprises, which works with families whose wells have gone dry, is working with 28 drillers and has 175 jobs outstanding with those companies. The best drillers are able to dig two wells per week, but that is rare, said Tami McVay, director of emergency services for Self-Help.

Prior to 2020, a 300-foot well cost \$24,000 max, said McVay. Now, every company quotes them \$60,000.

"We're feeling very taken advantage of," said McVay.

McVay hasn't noticed drillers who aren't able to work because of CARB regulations yet. In fact, the companies Self-Help works with are still booked far in advance with jobs.

As far as the surging costs, McVay has gotten different answers. Some tell her it's permit costs, some say it's insurance.

"It's this, it's that, I don't know." said McVay. "Maybe they're trying to preemptively recoup costs for compliance equipment."

*SJV Water is an independent, nonprofit news site dedicated to covering water in the San Joaquin Valley.*