

REVISED MOTION BY SUPERVISORS JANICE HAHN AND HOLLY MITCHELL

September 15, 2021

**Developing an Oil Well Cleanup Pilot Program for Los Angeles County**

Idle, unsealed wells can leak pollutants into the groundwater, soil, and air, which can expose residents to harmful emissions that may go unchecked for years, if not decades. As the County continues work on the Just Transition Strategy for oil extraction workers, it is important to develop a framework for capping and plugging oil wells, remediating sites and returning lands to uses that are beneficial to local communities. As the County continues to support clean energy goals, it is anticipated that the number of idle and abandoned wells will grow. The Los Angeles County Office of Oil and Gas will need to work closely with the lead regulatory agency, California Geologic Energy Division (CalGEM), to coordinate and oversee the cleanup of old oil wells.

In December 2018, the Board of Supervisors (Board) passed a motion, “Feasibility of Creating the Office of Oil and Gas Administration and Safety Compliance,” which recognized the need for a centralized structure to coordinate the oversight of oil and gas operations and communicate between community, industry and regulators. Housed in the Department of Public Works, the Office of Oil and Gas is the central hub of communication between the various County departments with oversight responsibilities

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for oil and gas operations within the County; participates in the efforts of the to implement recommendations from the County Oil and Gas Strike Team; and supports goals outlined in the “OurCounty” Sustainability Plan.

In September 2020, the Board unanimously passed a motion, “Facilitating the Development of a ‘Just Transition’ to Clean Energy” that directed the Department of Public Works, in consultation with other members of the County Oil and Gas Strike Team, to identify priority wells in the County that should be abandoned and develop a financial and operational strategy for initiating this work. The report back published in June 2021 identified a number of possible funding sources and recommended that the County ~~move forward with~~ consider establishing a Pilot Program focused on abandonment of idle and orphaned wells in unincorporated areas. Also, the Pilot Program should be utilized to further inform the Just Transition Strategy (e.g. community workforce agreements, local hire and inclusive decision making on the future of sites).

The County’s Oil and Gas Strike Team identified a total of 637 idle wells (i.e. wells that have not operated for two years or more) and ~~2,473~~ 2,731 wells that were plugged and abandoned according to the standards at the time of abandonment. It is not known how many of these are likely orphan wells or at risk of becoming orphan wells (i.e., a well that has an insolvent or unknown operator). Of the ~~2,473~~ 2,731 abandoned wells, the Strike Team identified 128 “higher priority” abandoned oil wells based on proximity to frontline communities and based on the risk of well leakage. The lead regulatory agency, CalGEM, publishes annual reports regarding the status of idle wells and may have additional information on idle wells that should be considered priorities.

Proper well abandonment is expensive and there are significant funding challenges, with costs ranging from \$150,000 to \$1,000,000 per well, depending on the environmental conditions. California state law holds operators responsible for properly

abandoning idle wells and in the case of insolvent or unknown operators, CalGEM ~~must~~ is authorized to step in and perform the legal process to determine if the well is an orphaned well. plug orphan wells. Once the well is determined to be orphaned, CalGEM can start the process to plug and abandon these wells and charge. ~~The State budget allocates \$200 million of funding for proper plugging and abandonment of orphaned wells, many of which are located in Los Angeles County.~~ Additionally, ~~r~~Recent state legislation has increased bonding requirements, idle well fees and use of idle well management plans. The fees are deposited into an abatement fund and are available to remediate hazardous well conditions to protect public health and the environment.

The County should move forward with exploring revenue sources to support enhanced enforcement and public health response ~~and site remediation activities~~; while at the same time, take steps to develop a framework for an Oil Well Cleanup Pilot Program.

**WE, THEREFORE MOVE** that the Board of Supervisors:

1. Direct the Office of Oil and Gas, in coordination with the California Geologic Energy Division, the Chief Sustainability Office and Department of Regional Planning, Department of Public Health and Fire Health HazMat to develop a framework for an Oil Well Cleanup Pilot Program to plug and abandon idle oil wells, with the goals of improving environmental conditions for frontline communities and maximizing local, high-road jobs. The Pilot Program Framework shall include:
  - a. Prioritization of oil wells that pose health and safety risks to residents based on proximity to frontline communities, risk of leakage, unknown operator and other health and environmental equity measures;

- b. Stakeholder consultation steps that involve workers, communities, and other stakeholders in the planning process;
  - c. Within 180 days, return with recommendations and next steps for an Oil Well Cleanup Pilot Program Framework;
- 2. Direct the Chief Executive Officer (CEO) to explore options to increase revenue dedicated to oil and gas oversight efforts, such as updating the utility franchise fees and redirecting any marginal revenue accruals to the Office of Oil and Gas, and report back within 90 days; and
- 3. Direct the County's legislative advocates to support state and federal policies and proposals that increase funding sources to help plug, abandon, remediate and revitalize idle and orphaned well sites, and advocate for increased funding that will provide critical relief to the County and its residents.

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