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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

COUNTY OF LOS ANGELES, a political subdivision of the State of California; and THE PEOPLE OF THE STATE OF CALIFORNIA, by and through the County Counsel of the County of Los Angeles,

Plaintiffs,

v.

SENTINEL PEAK RESOURCES CALIFORNIA LLC; FREEPORT-MCMORAN OIL & GAS LLC; PLAINS RESOURCES, INC.; CHEVRON U.S.A. INC.; and DOES 1-25, INCLUSIVE,

Defendants.

Case No.

COMPLAINT

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Plaintiffs, County of Los Angeles (the "County"), a political subdivision of the State of California, and the People of the State of California (the "People"), by and through the County Counsel of the County of Los Angeles, bring this action against Sentinel Peak Resources California LLC ("Sentinel"), Freeport-McMoRan Oil & Gas LLC ("FMOG"), Plains Resources, Inc. ("Plains Resources"), Chevron U.S.A. Inc. ("Chevron"), and Does 1-25 (collectively, "Defendants"), and allege as follows:

I. INTRODUCTION

1. This case concerns an unmitigated threat to the communities surrounding the largest urban oil field in the country: the numerous unplugged, exhausted oil and gas wells[1] that riddle the Inglewood Oil Field ("IOF") in Los Angeles County, California. These wells produce, at most, a dribble of oil or gas; the majority produce no oil or gas at all and have not for years, or even decades. Even though these wells do not produce oil or gas, they nonetheless continue to leak toxic pollutants into the air, land, and water and present unacceptable dangers to human health, safety, and the environment. Those dangers would be prevented entirely if these wells' operators[2] properly plugged the wells, removed the surface equipment and infrastructure associated with the well, and then reclaimed the ground around it, a process known as "decommissioning," "retiring," or "plugging and abandoning" the wells. However, Defendants in this case, entities that have been the primary operators of the IOF or successors-in-interest to primary operators of the IOF, have refused to decommission unproductive and exhausted wells in the IOF for years. Instead, they have ignored or passed on the responsibility to plug and properly decommission their aging,

[1] Throughout this Complaint, Plaintiff uses the term "exhausted" wells to refer to those oil and gas wells that yield an average daily production equal to or less than two barrels of oil equivalent ("BOE") or six thousand cubic feet of gas equivalent ("MCFE") over twenty-four months.

[2] The operators of the wells within the IOF also typically own certain real property interests within the IOF, and the Defendants in this suit have been both operators of wells within the IOF and the owners of real property interests within the IOF.

exhausted wells, allowing the wells to leak pollutants into local communities, harm human health, safety, and the environment, depress surrounding property values, and ultimately impose on the People the enormous cost to clean up Defendants' mess. This case seeks to hold Defendants responsible for the ongoing public nuisance Defendants have caused and contributed to in Los Angeles County.

2. Like every other source of fossil fuels, oil and gas wells do not produce hydrocarbons forever. Eventually, wells either stop producing or produce so little that continued extraction is economically unviable. At that point, the wells need to be decommissioned. Many of these unproductive and exhausted wells remain unplugged, where they present an unreasonable risk of harm to human health, surrounding properties, and the environment.

3. California has tens of thousands of such exhausted and unplugged wells. In Los Angeles County alone, according to an electronic database maintained by the California Geologic Energy Management Division of the California Department of Conservation ("CalGEM"), operators reported 2,377 "active" and 2,783 "idle" onshore oil and gas wells as of December 4, 2025.[3, 4] Approximately one-third of all Los Angeles County residents live within one mile of a drilling rig (an integrated system that drills oil and gas wells into the earth's subsurface), and more than half a million live within a quarter mile of a drilling rig.[5]

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[3] Under the California Public Resources Code ("PRC"), an "idle well" is an oil and/or gas well that has not produced oil or natural gas for a period of twenty-four consecutive months. Cal. Pub. Res. Code § 3008(d). Wells that have produced anything greater than zero over twenty-four months are generally referred to as "active" wells by CalGEM and other entities.

[4] *WellSTAR*, Cal. Dep't Conservation (last visited December 4, 2025), https://wellstar-public.conservation.ca.gov/General/Home/PublicLanding (go to the "Wells" screen under "Explore Data,", select "Filter by:" County = "Los Angeles (37)", and use "Advanced Filter" to select the relevant "Current Type" ("Oil & Gas") and "Current Status" values ("Active" and "Idle")).

[5] Leigh Hopper, *L.A.'s legacy of oil drilling impacts lung function in residents living near active and inactive wells*, USC Today (Apr. 15, 2021), https://today.usc.edu/urban-oil-wells-drilling-lung-health-los-angeles-usc-research/; Anakaren Andrade *et al.*, *Urban Oil Drilling and Community Health: Results from a UCLA Health Survey* at 2, UCLA Inst. Env't & Sustainability

4. Although these exhausted, unplugged oil and gas wells do not contribute to the wise development of California's natural resources, they release harmful toxins and other pollutants into the ground, water, and air. Living near oil and gas wells is associated with significant adverse health impacts, including negative effects on lung function, reproduction, birth outcomes, cardiovascular health, mental health, and more. In Los Angeles County, these health risks fall disproportionately on low-income, predominately Black and Latino communities.

5. The negative impacts from unplugged oil and gas wells extend beyond the areas close to the wells. Many of the pollutants emitted from the wells travel long distances through air and water, and harm communities and the environments that rely on those resources. For example, exhausted wells emit, in addition to other hazardous air pollutants, large amounts of methane, a potent greenhouse gas accelerating climate change.[6] Similarly, unplugged exhausted wells can contaminate groundwater and drinking water sources.[7] When the well's casing is not maintained, for example, oil, benzene, chloride, heavy metals, and arsenic can escape into groundwater, where the pollutants can travel long distances in difficult-to-control plumes that can render groundwater unfit for human consumption or agricultural or industrial use.

6. The urgent need to plug and properly decommission these exhausted wells is clear. However, properly plugging and decommissioning exhausted oil and gas wells is expensive. Decommissioning costs vary depending on whether a well is located in an urban or rural area, the complexity of surface remediation required, and other factors. In 2021, CalGEM estimated the costs to plug or reclaim certain abandoned wells statewide, in addition to reclaiming adjacent land

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(2018), https://www.ioes.ucla.edu/wp-content/uploads/2018/01/Bruins-for-Environmental-Justice-Final-Report.pdf.

[6] Mark Omara *et al.*, *Methane emissions from US low production oil and natural gas well sites*, 13 Nature Commc'ns 1, 7 (2022), https://rdcu.be/emJiF.

[7] *See* Jennifer Zingone, *The Silent Threat: Health Impacts of Living Near Idle Wells*, Sierra Club (Aug. 1, 2023), https://www.sierraclub.org/articles/2023/08/silent-threat-health-impacts-living-near-idle-wells.

and decommissioning or removing associated pipelines, facilities, and infrastructure, at an average cost of $182,029 per well.[8] In Los Angeles County, however, the cost to retire a single well can be much higher. In its August 2023 Idle Well Program Legislative Report, CalGEM estimated the plug and abandonment costs in the Southern District, which includes Los Angeles County, to be $923,200 per well, higher than other districts "due to its highly urban environment and associated costs for operation in these spaces."[9]

7. Before the 1970s, well operators often plugged old wells by throwing rocks and debris, including things like old telephone poles, down the well hole.[10] This approach to "plugging" wells allowed toxic gases, including methane, to leak into the environment. As regulations tightened in the 1970s, operators could no longer retire wells in this haphazard way. With increasing requirements for decommissioning wells came increasing costs, and operators looked for avenues by which they might evade the costs of retiring their exhausted wells.

8. Statewide, the pressure to circumvent well-retirement costs grew after oil production in California peaked in the late 1980s. As production has declined, the number of idle and exhausted wells, along with their accompanying retirement liabilities, has risen, as the below analysis by the *Los Angeles Times* and the Center for Public Integrity illustrates:[11]

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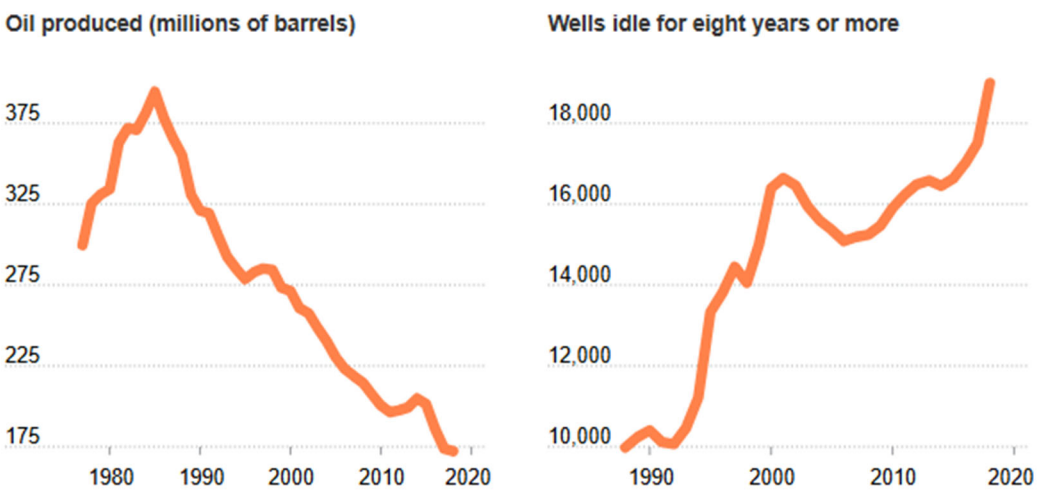
[8] Letter from David Shabazian, Director, California Department of Conservation, and Uduak-Joe Ntuk, California State Oil & Gas Supervisor, to Debra Haaland, Secretary of the United States Department of the Interior (Dec. 28, 2021) (letter of intent to apply to the Formula Grant through the Orphaned Well Site Plugging, Remediation, and Restoration Program).

[9] *Idle Well Program Legislative Report: An Overview of Idle and Orphaned Wells in California* at 25–26, Cal. Dep't Conservation, Geologic Energy Mgmt. Div. (Aug. 2023), https://www.conservation.ca.gov/calgem/Documents/Idle%20Well%20Program%20Report%20for%202021.pdf.

[10] Bob Pool, *Capping an era of L.A. oil exploration*, L.A. Times (Jan. 9, 2012, 12 AM), https://www.latimes.com/local/la-xpm-2012-jan-09-la-me-old-wells-20120109-story.html.

[11] Mark Olalde & Ryan Menezes, *The toxic legacy of old oil wells: California's multibillion-dollar problem*, L.A. Times (Feb. 6, 2020), https://www.latimes.com/projects/california-oil-well-drilling-idle-cleanup/.



9. In response, well operators have aggressively lobbied to reshape legislation regarding bonds and fees to pay for the cost of capping these wells, employed sham accounting practices to suggest low or non-producing wells have economic value, and pursued litigation against the State of California, its agencies, and municipalities (including recent actions against the State of California and CalGEM) for seeking to limit or end operations. Well operators also began to structure mergers and acquisitions to evade well decommissioning costs.

10. These practices have resulted in a recurring pattern across the country. The operators, after profiting from oil and gas wells, neglect to decommission, or to set aside funds sufficient to decommission, those wells once they are exhausted. The operators then pass those exhausted wells, which they should have decommissioned, to successor entities, by way of an asset purchase or other transfer. These successor entities tend to be progressively less and less capitalized, or in the worst case, are shell companies created for the purpose of holding these liabilities. With every transfer, the risk increases that these exhausted and aging wells will end up in the hands of an operator that is financially unable to afford to decommission the wells and reclaim the well site. At that point, the wells may become "orphaned," and the cost to decommission them will fall on the taxpayers and the public. While being transferred from one

operator to the next, such unplugged, exhausted wells continue to leak toxins into the surrounding community and environment, years after these wells should have been properly plugged and abandoned. Any further delay in decommissioning the wells will exacerbate the environmental and human health harms from the unplugged wells.

11. Since the oil and gas industry has avoided the obligation to address the crisis of aging, neglected, and exhausted wells for decades, government entities have had to step in to protect the public. For example, states have had to appropriate public funds to help retire wells and reclaim the land on which those wells were operated.[12] Even so, these appropriated funds represent a fraction of the estimated costs to retire the orphaned wells alone, leaving untouched the looming costs for retiring exhausted, but not yet orphaned, wells.[13]

12. Failing to plug and properly decommission their inventory of exhausted wells financially benefits Defendants and transfers that responsibility to the public. This has become a fundamental part of the operator business model: intentionally extract the resource and leave the well for another to properly plug and decommission. And it is intentional. According to an industry insider: "oil and gas companies desire to walk away from their responsibility to clean up well sites as a business decision. 'The plan is that these costs will be transferred,' he said, 'These obligations will be transferred to the state at some point. Why would a company want to go out and spend hundreds of millions of dollars plugging all of these wells when it could instead pay its executives?'"[14]

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[12] *See, e.g.*, *Safeguarding the Environment for Texans* at 1, R.R. Comm'n Tex. (Oct. 31, 2024), https://www.rrc.texas.gov/media/hgrmf022/well-plugging.pdf (noting that the Railroad Commission of Texas plugged more than 46,000 wells through its State Managed Plugging Program).

[13] *See* Rob Schuwerk & Greg Rogers, *Billion Dollar Orphans: Why millions of oil and gas wells could become wards of the state*, Carbon Tracker Initiative (Oct. 1, 2020), https://carbontracker.org/ reports/billion-dollar-orphans/ (estimating the total cost at $280 billion).

[14] *$23 Billion Question: What Created California's Orphan and Idle Well Crisis?* at 15, Sierra Club (Dec. 2023), https://www.sierraclub.org/sites/default/files/2023-12/Idle%20Wells%20Report.pdf (citation omitted).

13. Past operators of the IOF, Defendant FMOG, Plains Exploration and Production Co. ("PXP"), Defendant Plains Resources, Stocker Resources, Inc. ("Stocker Resources"), and Defendant Chevron, adopted that approach with respect to the IOF. To their massive enrichment, these companies have intentionally ignored, failed to decommission, and then transferred exhausted oil and gas wells in the IOF to successor operators. These past operators did so despite knowing that the exhausted wells they transferred had been idle for years and would almost certainly never produce again. They also knew that the successor entities would not voluntarily properly plug and decommission the wells, leaving the unplugged, exhausted wells to continue to cause harm the public and the environment until the State of California bears the cost of decommissioning them. Rather than spending their money to properly decommission these wells and protect the public, these operators invested that money elsewhere, to enrich themselves at the expense of the County and the People.

14. Like the past operators listed in the prior paragraph, the IOF's current operator, Defendant Sentinel, has failed to properly plug and decommission most of the exhausted oil and gas wells it purchased or received from the predecessor Defendants. In the eight years that Sentinel has operated the IOF, it has allowed hundreds of exhausted wells to remain unplugged. As a result, those exhausted wells continue to emit toxins into the surrounding community and environment and to otherwise inflict the harms set forth in this Complaint.

15. For the last three decades, according to CalGEM data, roughly a quarter of the IOF's unplugged production wells[15] have been idle. Many of those wells have not produced any oil or gas in more than ten years. Instead of being properly decommissioned, they have been passed from one operator to the next, causing harm now and into the future absent proper remediation.

[15] "Production wells" are wells used to extract oil and gas; the IOF also contains numerous "injection wells," which are used to send waste from oil and gas production deep underground, either for waste storage or in an attempt to increase production.

16. Through this lawsuit, Plaintiffs seek to hold Defendants, prior and current operators of IOF who have knowingly and intentionally evaded their responsibility to plug and decommission exhausted oil and gas wells, liable for the harms that those wells have created and the risks that the wells continue to pose.

II. JURISDICTION AND VENUE

17. This Court has subject matter jurisdiction over this action. Defendants have substantially contributed to the creation of a public nuisance in the County, and the County Counsel has the right and authority to prosecute this case on behalf of the People.

18. This Court has personal jurisdiction over Defendants under California Code of Civil Procedure section 410.10. Defendants have submitted to jurisdiction by conducting and transacting business in California on a regular and continuous basis, including operating oil wells in the County and throughout California, and by committing acts in violation of the laws of California as detailed herein.

19. Venue as to each Defendant is proper in this judicial district, pursuant to California Code of Civil Procedure sections 395 and 395.5.

III. PARTIES

Plaintiffs

20. The People bring this action by and through Dawyn R. Harrison, County Counsel for the County of Los Angeles, to abate a public nuisance in the County pursuant to California Code of Civil Procedure section 731.

21. The People also bring this civil law enforcement action pursuant to statutory authority provided under the California Unfair Competition Law ("UCL"), California Business and Professions Code ("Cal. Bus. & Prof. Code") sections 17200, *et seq*.

22. The County of Los Angeles ("the County") is a political subdivision of the State of California. Established in 1850, the County is one of California's original 27 counties. The County is one of the nation's largest counties, covering 4,084 square miles, and has the largest population of any county in the nation with nearly ten million residents who account for approximately 27% of California's population. As a subdivision of the State, the County is charged with providing numerous essential services that affect the lives of its residents including law enforcement, tax collection, public health protection, social services, and flood control, among other services.

Defendants

23. Defendant Sentinel Peak Resources California LLC ("Sentinel") is a Delaware limited liability company with its principal place of business in Englewood, Colorado. Sentinel is a private energy company focused on oil and gas acquisitions and development primarily in California. Sentinel has operated all or nearly all of the wells in the IOF since January 2017.

24. Defendant Freeport-McMoRan Oil & Gas LLC ("FMOG") is a Delaware limited liability company with its principal place of business in Phoenix, Arizona. FMOG operated all or nearly all of the wells in the IOF from May 2013 through December 2016. FMOG is a 100-percent-owned subsidiary of FCX Oil & Gas LLC and indirect subsidiary of Freeport-McMoRan Inc. ("FCX"), formerly known as Freeport-McMoRan Copper & Gold Inc.

25. FMOG is also the successor-in-interest to PXP. FCX acquired PXP through a stock purchase effective May 2013 and merged PXP with and into FMOG. PXP was a Delaware corporation with its principal place of business in Houston, Texas, and a subsidiary of Plains Resources. PXP is primarily engaged in acquiring, exploiting, developing and producing oil and gas in its core areas of operation: onshore California, primarily in the Los Angeles Basin, and offshore California in the Point Arguello unit, and the Illinois Basin in southern Illinois. PXP operated all or nearly all of the wells in the IOF from late 2002 until its merger with FMOG.

26. Defendant Plains Resources, Inc. ("Plains Resources") is a Delaware corporation with its principal place of business in Houston, Texas. Plains Resources engaged in the acquisition, development, and exploitation of crude oil and natural gas in California, Texas, Oklahoma, Louisiana, and Canada. Plains Resources operated all or nearly all of the wells in the IOF from June 1992 until late 2002, when Plains Resources incorporated PXP and transferred to it all of Plains Resources' upstream operations in California, including the IOF.

27. Defendant Plains Resources is also named in this suit as successor-in-interest to Stocker Resources and Stocker Resources L.P. (together with Stocker Resources, "Stocker"), which operated all or nearly all of the wells in the IOF from 1990 until Plains Resources acquired Stocker in June 1992.

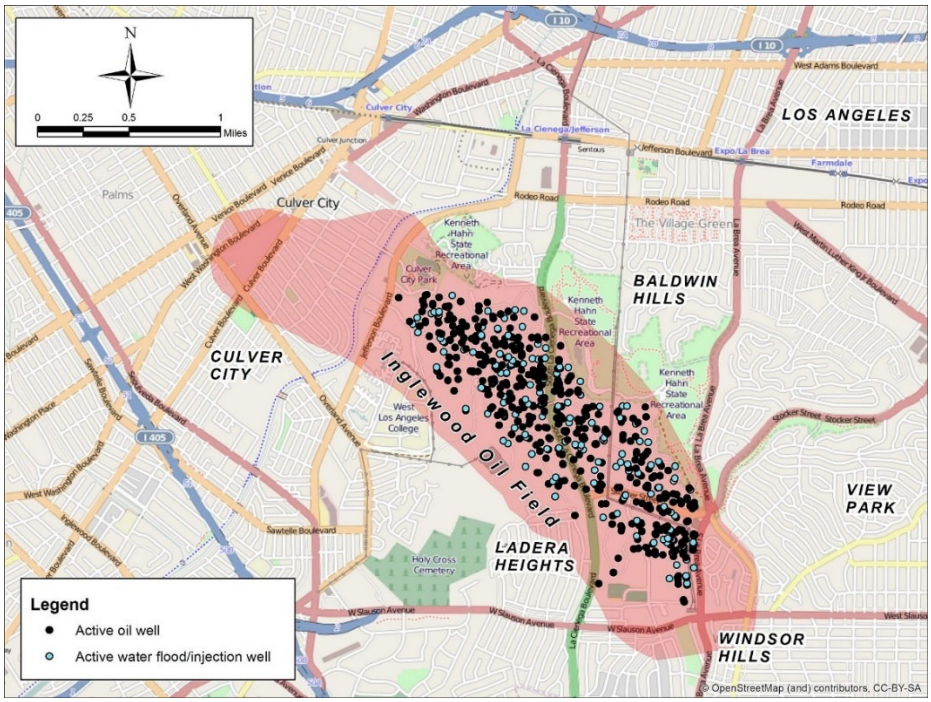
28. Defendant Chevron U.S.A. Inc. ("Chevron") is a Pennsylvania corporation with its principal place of business in San Ramon, California. Chevron operated the majority of the wells in the IOF from at least the late 1970s through 1990, when Chevron sold its interest in the IOF to Stocker.

29. Collectively, Chevron, FMOG, and Plains Resources are referred to herein as "Predecessor Defendants."

IV. FACTUAL ALLEGATIONS

30. As explained above, oil and gas well operators have devised numerous strategies to avoid their responsibility to plug and properly decommission their wells, despite having derived substantial profit from those wells during their production. This problem is particularly acute in Los Angeles County, which is host to thousands of oil and gas wells, many of which are at, or past, the end of their productive and useful economic lives. These exhausted wells are close to schools, parks, churches, hospitals, and other public areas and, until properly plugged, pose unreasonable risks to human health and the environment, affect property values in surrounding areas, and risk burdening the People with the multi-million-dollar cost to decommission them.

31. While the problem of unplugged, exhausted oil and gas wells is statewide, the focus of this litigation is the IOF, the largest urban oil well field in the country. Several populous communities in Los Angeles County are located adjacent to or near the IOF.



[16]

32. Since oil and gas extraction began at the IOF a century ago, several companies have operated the nearly 2,000 wells in the field. Starting in 1924 with the Standard Oil Company of California, a predecessor of Defendant Chevron, operation of the majority of wells in IOF passed to Chevron, then Stocker, Defendant Plains Resources, PXP, Defendant FMOG, and Defendant Sentinel, the current operator.

33. Each of these companies has profited from its oil and gas operations in the IOF but has failed to pay for the costs to properly retire the wells. Defendants have left hundreds of unplugged, exhausted wells that harm the environment and the health of people living nearby and threaten to saddle taxpayers with an environmental cleanup bill that could total hundreds of

[16] Ramona du Houx, *The future of the Inglewood Oil Field could be the largest urban park on the west coast*, Protect Earth Newsmagazine (Apr. 10, 2021), https://protectearth.news/the-future-of-the-inglewood-oil-field-could-be-the-largest-urban-park-on-the-west-coast/.

millions of dollars. Defendants have unfairly and unjustly enriched themselves by refusing to properly decommission their exhausted wells, prioritizing their profits over responsibly operating the IOF.

A. The Life Cycle of an Oil and Gas Well

34. Under the California Public Resources Code ("PRC"), "[w]ell" is defined as follows:

> [A]ny oil or gas well or well for the discovery of oil or gas; any well on lands producing or reasonably presumed to contain oil or gas; any well drilled for the purpose of injecting fluids or gas for stimulating oil or gas recovery, repressuring or pressure maintenance of oil or gas reservoirs, or disposing of waste fluids from an oil or gas field; any well used to inject or withdraw gas from an underground storage facility; or any well drilled within or adjacent to an oil or gas pool for the purpose of obtaining water to be used in production stimulation or repressuring operations.[17]

35. The PRC defines an "idle well" as "any well that for a period of twenty-four consecutive months has not either produced oil or natural gas, produced water to be used in production stimulation, or been used for enhanced oil recovery, reservoir pressure management, or injection."[18]

36. This Complaint uses the term "exhausted well" to refer to an oil and/or gas well that yields an average daily production equal to or less than two barrels of oil equivalent ("BOE") or six thousand cubic feet of gas equivalent ("MCFE") over the last twenty-four months.

37. Oil and gas wells have predictable life cycles. In the initial exploration phase, an oil and gas company discovers a reserve, drills an exploratory well, and determines that the well can produce enough oil or gas to make the venture profitable.

38. After the well is drilled and constructed, fossil fuel production begins and can last several years or several decades, depending on the size of the reserve and the cost of operating the well. During the production phase, operators typically extract enormous profits from the sale of the well's fossil fuel reserves.

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[17] Cal. Pub. Res. Code § 3008(a).
[18] Cal. Pub. Res. Code § 3008(d).

39. Wells become economic liabilities before the reserve is totally depleted, since the sale of the produced oil and gas no longer covers the cost of maintaining and operating the well, not to mention the cost required to retire the asset. The fact that a well becomes uneconomic before production ceases is well understood within the oil industry. Many oil and gas leases terminate when production falls below a "paying quantities" threshold, defined as the point where proceeds no longer exceed ongoing operating costs.

40. The precise point at which a well's production falls below economic viability depends on production costs, commodity prices, and other factors. The Colorado Oil and Gas Conservation Commission,[19] during a rulemaking process, observed "the reality that some wells produce so little as to be functionally inactive," and stated that, "based on the Commission's experience and current and long-term oil prices, 1 BOE/d is well below the threshold at which a well can continue to be operated profitably."[20] Wells producing a daily average of less than two BOE or ten MCFE of gas over the previous twelve months are designated "low producing well[s]" under Colorado's regulations.[21]

41. A June 2025 report by the New Mexico Legislative Finance Committee highlighted the problem of exhausted wells, warning that "[w]ells producing extremely low volumes pose a financial risk to the state because they may not generate sufficient revenues to fund their own end-of-life plugging and abandonment."[22] While noting that there is no specific threshold at which

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[19] The Colorado Oil & Gas Conservation Commission has since been renamed the Energy & Carbon Management Commission.

[20] Draft Statement of Basis, Specific Statutory Authority, and Purpose, New Rules and Amendments to Current Rules of the Colorado Oil and Gas Conservation Commission, 2 C.C.R. § 404-1, Cause No. 1R Docket No. 210600097, Financial Assurance Rulemaking at 12 (June 15, 2021), https://ecmc.state.co.us/documents/sb19181/Rulemaking/Financial%20Assurance/COGCC%20Draft%20Financial%20Assurance%20SBP%206-15-21.pdf.

[21] 2 Colo. Code Regs. § 404-1 (2025).

[22] *Policy Spotlight: Orphaned Wells* at 20, N.M. Legis. Fin. Comm. Pol'y Spotlight (June 24, 2025),

a well becomes uneconomic, primarily as a result of fluctuating oil and gas prices, the report identified production of less than two BOE a day as an appropriate threshold for additional regulatory scrutiny. According to the report, in New Mexico, the average well plugged in recent years produced approximately two BOE per day in the year prior to abandonment.[23]

42. As the report acknowledged, "[w]ells may temporarily dip into ultra-low production levels for a variety of reasons[,]" but wells that have been persistently ultra-low-producing over multiple years are likely at the end of their lives and are most at risk of becoming taxpayer responsibility to clean up.[24]

43. Consistent with these findings, this Complaint uses the term "exhausted well" to mean an oil and/or gas well that yields an average daily production equal to or less than two BOE or six MCFE over twenty-four months.

44. These "exhausted" wells include all wells defined as "idle" under the PRC and a subset of wells defined as "active" under the PRC. Wells producing less than two, but more than zero, BOE per day (averaged over twenty-four months) may not meet the narrow definition of "idle," but these wells are functionally inactive or at the end of their productive lives due to their unprofitability. At this point, the well should be properly decommissioned. Operators know that decommissioning oil and gas wells is a complex and expensive, yet required, process in the life cycle of a well. However, operators choose to avoid the expense of properly plugging and decommissioning these wells while the environment and public are harmed by continued pollution.

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https://www.nmlegis.gov/handouts/ALFC%20062425%20Item%204%20Policy%20Spotlight%20Orphaned%20Wells.pdf.

[23] *Id.* at 21.

[24] *Id.* at 22.

45. Decommissioning is critical for the protection of human health, protection of the environment, and property owners' use and enjoyment of their properties near oil fields. Wells that are left unplugged leak a wide range of dangerous pollutants into the air, land, and water.

Oil leaks from idle well equipment in the Placerita Oil Field in Los Angeles County. Photo credit AFP.

46. Due to the harms caused by exhausted and idle wells, the PRC and other state and local regulations require well operators to plug and properly decommission these wells and attendant infrastructure. The obligation to plug and decommission also derives from common law, is consistent with industry standards, and is often incorporated into leases and contracts. Despite these requirements, many operators ignore their retirement obligations, either allowing exhausted wells to sit unplugged or transferring them to other entities by way of sale, transfer, or reorganization. These operators have thus extracted maximum profit from oil and gas production, only to then flout their decommissioning obligations and evade the associated costs. The operators' avoidance of their obligations comes at a great expense to the public, including public health, environmental, and financial impacts. If an operator fails to decommission its idle and exhausted wells, the responsibility (and cost) to decommission those wells may fall to taxpayers.

47. The threats to human health and the environment from exhausted, idle, and orphaned wells are amplified because those wells are often older and not subject to the same degree of maintenance and inspection, if any, as active producing wells.

48. Compounding the problem, many of these idle and exhausted wells are in the middle of neighborhoods and near homes, schools, hospitals, and parks. Not only do these wells threaten critical natural resources, including public lands and drinking water, they threaten the public health and safety of communities and contribute to climate change on a global scale.

B. Exhausted Wells Pollute the Air, Contaminate Water and Land, and Present Unacceptable Risks to Surrounding Communities.

49. Exhausted wells, when not properly plugged and decommissioned, threaten the health of surrounding communities, diminish the value of surrounding property, and contaminate natural resources held in trust by the government for the benefit of the public. These wells discharge numerous airborne pollutants and contaminants that seep into water and land. By continuing to discharge toxins and other emissions into the air, water, and land, exhausted wells burden the surrounding communities with chemicals that increase risks to the health and wellbeing of the people who live and work nearby. A growing body of public health research indicates that oil and gas wells present significant health risks to nearby communities.

1. Air pollution

50. All unplugged oil and gas wells, whether active or idle, routinely release pollutants into the air. This is especially true with exhausted wells, as they are not regularly maintained. As a result, those leaks are likely to go unnoticed for unacceptably long periods.[25]

[25] Assembly Bill No. 2729 – Bill Analysis at 7, Assemb. Comm. Nat. Res. (Apr. 4, 2016), http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_2701-2750/ab_2729_cfa_20160331_163551_asm_comm.html.

51. The toxic pollutants that exhausted wells emit include methane and other airborne VOCs, including hydrogen sulfide,[26] benzene, and hexane.[27] These air emissions can travel significant distances, exposing many communities to dangerous pollutants. Recent research, for example, showed that air ten kilometers downwind of oil wells had elevated levels of volatile organic compounds ("VOCs"), ozone, nitrogen dioxide, and PM2.5.[28] PM2.5 refers to particulate matter with a diameter of 2.5 micrometers or less. Because of its size, PM2.5 is more likely to travel into and deposit on the surface of the deeper parts of the lung, compared to larger particulate matter. Exposure to PM2.5 is associated with a number of adverse health effects: Short-term exposures (up to 24-hours duration) have been associated with premature mortality, increased hospital admissions for heart or lung causes, acute and chronic bronchitis, asthma attacks, emergency room visits, respiratory symptoms, and restricted activity days, while long-term exposure (months to years) has been linked to premature death, particularly in people who have chronic heart or lung diseases, and reduced lung function growth in children.[29]

52. Methane is a greenhouse gas with heat-trapping effects between 79.7–82.5 times more potent than carbon dioxide on a 20-year timeframe.[30] Thus, even a small amount of methane

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[26] Martha Pskowski, *Study finds levels of a dangerous gas "off the scales" in Central Texas oilfield*, Texas Trib. (Sept. 20, 2024, 5 AM), https://www.texastribune.org/2024/09/20/texas-oil-wells-hydrogen-sulfide-caldwell-county/; Will Evans *et al.*, *Is leaking hydrogen sulfide a risk to Texans living near oil wells?*, Examination (June 12, 2024), https://www.theexamination.org/articles/faq-is-leaking-hydrogen-sulfide-a-risk-to-texans-living-near-oil-wells.

[27] Dominic C. DiGiulio *et al.*, *Chemical Characterization of Natural Gas Leaking from Abandoned Oil and Gas Wells in Western Pennsylvania*, 8 ACS Omega 19443, 19448 (2023), https://pubs.acs.org/doi/pdf/10.1021/acsomega.3c00676?ref=article_openPDF.

[28] David J.X. Gonzalez *et al.*, *Upstream oil and gas production and ambient air pollution in California*, 806 Sci. Total Env't 1, 7 (2022), https://doi.org/10.1016/j.scitotenv.2021.150298.

[29] *Inhalable Particulate Matter and Health (PM2.5 and PM10)*, Cal. Air Res. Bd., https://ww2.arb.ca.gov/resources/inhalable-particulate-matter-and-health (last visited Aug. 14, 2025).

[30] Khalil El Hachem & Mary Kang, *Reducing oil and gas well leakage: a review of leakage drivers, methane detection and repair options*, 3 Env't Res.: Infrastructure & Sustainability 1, 2 (2023), https://iopscience.iop.org/article/10.1088/2634-4505/acbced.

emissions can significantly contribute to climate change. Methane is also a known fire hazard, which can present an explosion risk.[31] A 2020 study of wells in California found that 65% of the idle wells sampled leaked methane.[32] The leaks were detected even though the idle wells sampled had been idle for an average of 13.9 years.[33] The total amount of methane released by unplugged wells annually is the equivalent of an estimated 7–20 million metric tons of carbon dioxide, roughly equivalent to the carbon dioxide emissions of 2–5 million cars.[34] And unplugged wells emit far higher amounts of methane than do plugged wells.[35]

53. The graphic below illustrates different ways that methane can leak from an orphaned well site: (1) venting from an open well hole; (2) venting from an open well hole and via soil due to fractures in the well bore; (3) leaking from multiple valves, connectors, and cracks in an orphaned well with legacy well head/infrastructure; and (4a) and (4b) releasing methane after a heavy rainfall event due to water forcing methane that has permeated the soil back into the well bore:[36]

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[31] *See, e.g.*, *Arvin/Lamont Inspection Summary* at 1, Cal. Dep't Conservation (2023), https://www.conservation.ca.gov/calgem/Documents/Arvin%20Lamont%20Joint%20Inspection%20Summary.pdf.

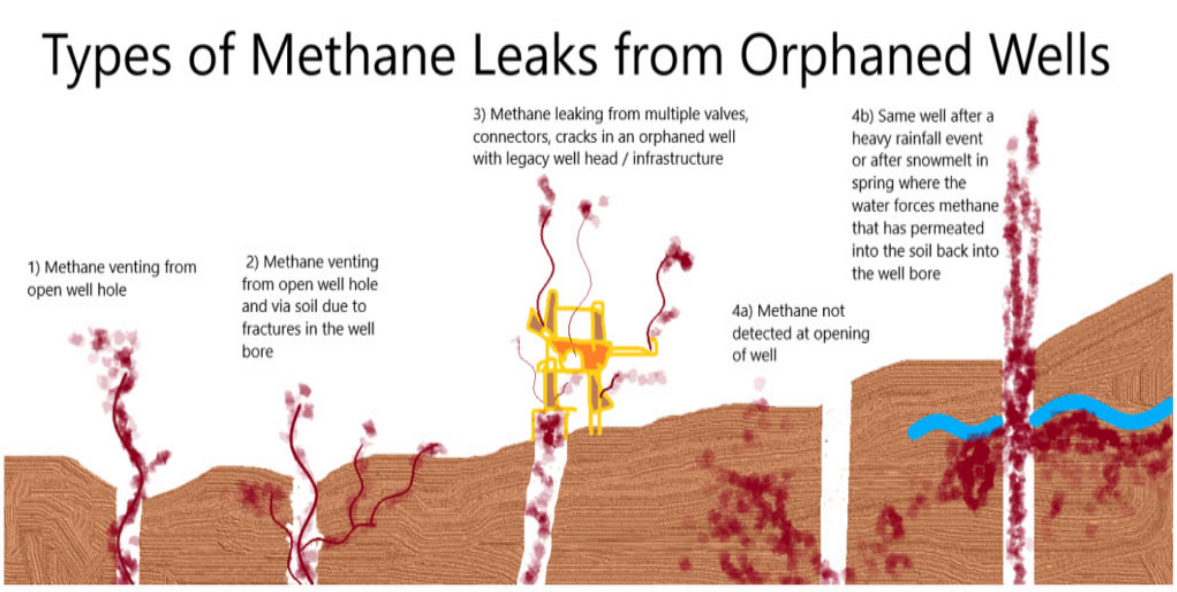
[32] Eric D. Lebel *et al.*, *Methane Emissions from Abandoned Oil and Gas Wells in California*, 54 Env't Sci. & Tech. 14617, 14622 (2020), https://doi.org/10.1021/acs.est.0c05279.

[33] *Id.*

[34] Ahmed Alsubaih *et al.*, *Environmental Impacts of Orphaned and Abandoned Wells: Methane Emissions, and Implications for Carbon Storage*, Applied Scis., 14(24), 11518 (2024), https://doi.org/10.3390/app142411518; *see also Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2022* at 3-118, U.S. Env't Prot. Agency (2024), https://www.epa.gov/system/files/documents/2024-04/us-ghg-inventory-2024-main-text_04-18-2024.pdf (estimating annual methane emissions from abandoned oil wells as the equivalent of 6.6 million metric tons of carbon dioxide).

[35] *See Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2022*, *supra* note 34, at 3-117 ("Wells that are plugged have much lower average emissions than wells that are unplugged (less than 1 kg CH4 per well per year, versus over 100 kg CH4 per well per year).").

[36] *Colorado Orphaned and Abandoned Wells Study*, Colo. State Univ. Energy Inst., https://energy.colostate.edu/colorado-orphaned-and-abandoned-wells-study/ [https://web.archive.org/web/20250219220405/https://energy.colostate.edu/colorado-orphaned-and-abandoned-wells-study/] (last visited Mar. 20, 2025).



54. Hydrogen sulfide is highly toxic and is immediately lethal at high concentrations. Even at low concentrations, hydrogen sulfide can rapidly affect the nervous system, causing dizziness, nausea, headaches, and respiratory issues. Chronic exposure can cause eye, nose, respiratory and neurological symptoms, and it is particularly risky to those with underlying conditions such as asthma.[37]

55. Benzene is a well-established cause of cancer in humans, with no safe exposure level.[38] There is strong evidence linking benzene exposure to acute non-lymphocytic leukemia, including acute myeloid leukemia in adults. There is also evidence linking benzene exposure to other types of cancer, including non-Hodgkin lymphoma, chronic lymphoid leukemia, multiple myeloma, chronic myeloid leukemia, acute myeloid leukemia in children, and lung cancer.[39] In

[37] Pskowski, *supra* note 26.

[38] *See* Jacob A. Deighton *et al.*, *Measurements show that marginal wells are a disproportionate source of methane relative to production*, 70 J. Air & Waste Mgmt. Ass'n 1030, 1040 (2020), https://www.tandfonline.com/doi/full/10.1080/10962247.2020.1808115; DiGiulio *et al.*, *supra* note 27, at 19444.

[39] *Exposure to benzene: a major public health concern* at 2–3, World Health Org. (May 1, 2019), https://iris.who.int/bitstream/handle/10665/329481/ WHO-CED-PHE-EPE-19.4.2-eng.pdf?sequence=1.

addition, benzene causes haematotoxicity and is immunosuppressive. Chronic exposure to benzene causes reduced production of red and white blood cells. Benzene is also genotoxic and can cause DNA damage and chromosomal changes. Benzene is highly volatile, so most exposure is through inhalation. Inhaling benzene irritates airways and causes coughing, wheezing, and shortness of breath. Benzene's properties contribute to neurological symptoms like dizziness, memory loss, and Parkinson's disease. According to the World Health Organization guidelines, there is no safe benzene exposure level.[40]

56. Hexane has been recognized as a neurotoxin for decades. Chronic exposure to hexane causes long-lasting or even permanent damage to the peripheral nervous system, with symptoms including numbness and tingling in the extremities, muscle weakness, blurred vision, headaches, and fatigue.[41] Hexane exposure also affects the central nervous system. The most common route of exposure is inhalation. Breathing high concentrations of hexane causes muscle weakness in the feet and lower legs, and continued exposure could lead to paralysis of the arms and legs.[42] Other effects of hexane exposure, based on strong evidence from animal studies, include respiratory and developmental effects.[43]

2. Ground and water pollution

57. In addition to airborne pollutants, unplugged or improperly plugged oil and gas wells discharge toxic pollutants into the land, surface waters, and groundwater. Pollutants can

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[40] *Id.*

[41] *See Hexane* at 1, U.S. Env't Prot. Agency (Jan. 2000), https://www.epa.gov/sites/default/files/2016-09/documents/hexane.pdf; *see also* Emily Denny, *What does it take to plug an orphaned well? We asked an expert.*, Wilderness Soc'y (Sept. 18, 2023), https://www.wilderness.org/articles/blog/what-does-it-take-plug-orphaned-well-we-asked-expert.

[42] *n-Hexane - ToxFAQs™* at 1, Agency for Toxic Substances & Disease Registry (Apr. 15, 2025), https://www.atsdr.cdc.gov/toxfaqs/tfacts113.pdf.

[43] *Toxicological Profile for n-Hexane* at 12, Agency for Toxic Substances & Disease Registry (Apr. 2025), https://www.atsdr.cdc.gov/ToxProfiles/tp113.pdf.

escape when the well casings or wellheads of unplugged wells rust or crack, which can happen through improper maintenance, subsidence, or from other causes.[44] Such pollutants include formaldehyde, barium, chloride, uranium, lead, iron, selenium, sulfates, radon, and arsenic.[45]

58. Exposure to formaldehyde affects nearly every tissue in the human body, leading to acute and chronic health effects such as lung damage, dermal allergies, asthma, and a host of neurological, reproductive, and genetic impairments.[46]

59. Barium is a common idle-well pollutant, spreading into the environment through the well's liquid waste. Barium in an individual's bloodstream leads to gastrointestinal issues, nausea, vomiting, and inflammation. Elevated barium levels are also linked to increased blood pressure, arrhythmias, and heart attacks. Barium can also contaminate food sources, further jeopardizing the well-being of residents.[47]

60. Chloride is found in brine, which is a saline byproduct generated by oil and gas extraction. Chloride pollutes groundwater and disrupts aquatic ecosystems. It harms the environment and threatens public health through its impact on agriculture and water sources.[48]

61. Arsenic also contaminates groundwater and soil. Well drilling can release arsenic otherwise trapped in rock formations, allowing it to migrate into drinking and irrigation water sources. The dangers of arsenic exposure are similar to the dangers of benzene, according to the

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[44] Assembly Bill No. 2729 – Bill Analysis, *supra* note 25.
[45] *Id.*; Jennifer Zingone, *The Silent Threat: Health Impacts of Living Near Idle Wells*, Sierra Club (Aug. 1, 2023), https://www.sierraclub.org/articles/2023/08/silent-threat-health-impacts-living-near-idle-wells.
[46] *See generally* Gregg P. Macey *et al.*, *Air concentrations of volatile compounds near oil and gas production: a community-based exploratory study*, 13 Env't. Health 1, 14 (2014), https://pmc.ncbi.nlm.nih.gov/articles/PMC4216869/pdf/12940_2014_Article_790.pdf.
[47] Zingone, *supra* note 45.
[48] *Id.*

EPA. Arsenic exposure can lead to many health issues including cancer, respiratory problems, and skin irritation.[49]

62. In Los Angeles County, a quarter of community water systems have drinking water supply wells within one kilometer of an oil or gas well.[50] In a study published in 2023, researchers at UCLA evaluated the potential for drinking water contamination from oil and gas wells together with sociodemographic factors. They found that racial/ethnic composition, residential segregation, and historical redlining were significant predictors of drinking water contamination risks from oil and gas development in Los Angeles County.[51]

3. Increased health risks for neighboring communities

63. A peer-reviewed study focusing on Los Angeles residents living near the Las Cienagas oil field "suggest[s] that living near urban oil drilling sites is significantly associated with reduced lung function in South Los Angeles."[52] The study evaluated pulmonary function measurements and self-reported health symptoms of 961 residents living less than 1000 meters from one of two well sites (one active, one idle). For both the idle and active well sites, researchers found the same pattern: living downwind and closer to the wells was associated with lower lung function, compared to residents living upwind and farther from the wells.[53]

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[49] *Id.*

[50] Alique G. Berberian *et al.*, *Race, Racism, and Drinking Water Contamination Risk From Oil and Gas Wells in Los Angeles County, 2020*, 113 Am. J. Pub. Health 1191–1200, https://ajph.aphapublications.org/doi/epdf/10.2105/AJPH.2023.307374.

[51] *Id.*

[52] Jill E. Johnston *et al.*, *Respiratory health, pulmonary function and local engagement in urban communities near oil development*, 197 Env't Rsch. 111088, 8 (2021), https://www.sciencedirect.com/science/article/abs/pii/S0013935121003820.

[53] *Id.* at 6, 8.

64. Another study, published in 2023, concluded that "living near urban oil drilling sites is significantly associated with greater diastolic blood pressure in South Los Angeles."[54] Specifically, the study found that residents living closer to oil and gas extraction sites "have, on average, higher blood pressure and face higher risk of stage 1 hypertension compared with residents that live farther away."[55]

65. Research outside of California has found a similar association between proximity to oil and gas wells and adverse health effects. For example, a peer-reviewed study of an Ohio community found evidence that those living near unconventional oil and gas wells may be more likely to experience adverse health impacts and water contamination.[56] The study focused on sixty-six residents of Belmont County, Ohio, the county with the highest number of permitted shale wells in the State. The study observed associations between residential proximity to wells and concentrations of drinking water contaminants, particularly bromoform, dibromochloromethane, and gasoline range organic compounds. The study also observed evidence of links between residential proximity to wells and reported health symptoms.

66. In addition, a 2016 paper reviewed the results of forty-five original published studies investigating reproductive health effects from occupational and residential exposure to oil and gas extraction activities.[57] The paper concluded that there was "moderate evidence for increased risk of miscarriage, prostate cancer, birth defects, and decreased semen quality" as a

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[54] Jill E. Johnston *et al.*, *Cardiovascular health and proximity to urban oil drilling in Los Angeles, California*, 34 J. Exposure Sci. & Env't Epidemiology 505, 509 (2023), https://doi.org/10.1038/s41370-023-00589-z.

[55] *Id.* at 508.

[56] Elise G. Elliott *et al.*, *A community-based evaluation of proximity to unconventional oil and gas wells, drinking water contaminants, and health symptoms in Ohio*, 167 Env't Rsch. 550, 550 (2018), https://doi.org/10.1016/j.envres.2018.08.022.

[57] Victoria D. Balise *et al.*, *Systematic review of the association between oil and natural gas extraction processes and human reproduction*, 106 Fertility & Sterility 795, 795 (2016), https://doi.org/10.1016/j.fertnstert.2016.07.1099.

result of such exposure, and that there was "ample evidence for disruption of the estrogen, androgen, and progesterone receptors with individual chemicals and complex mixtures of chemicals and waste products related to oil and gas extraction."[58]

67. A study examining the relationship between childhood hematologic cancer diagnoses and residential proximity to oil and gas development found that patients diagnosed with acute lymphocytic leukemia between ages five and twenty-four were significantly more likely to live near oil and gas development than others in that age range.[59] The study authors noted that oil and gas development can emit chemicals including "benzene and other hydrocarbons, polycyclic aromatic hydrocarbons, and diesel exhaust, into the air and water," and "[t]he existing literature indicates that populations living in areas with oil and gas development may be at an increased risk for health effects, including cancers such as ALL [acute lymphocytic leukemia] and NHL [non-Hodgkin lymphoma], resulting from these exposures."[60] Another study found that newborns born to mothers living near oil and gas well sites are at higher risk of congenital heart defects.[61]

68. The health risks described above are magnified in urban environments like Los Angeles, where exhausted wells are located next to schools, parks, and churches. Exhausted wells near schools or hospitals are particularly problematic, as their populations are more vulnerable to the pollutants the wells produce.

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[58] *Id.* at 817.

[59] *See generally* Lisa M. McKenzie *et al.*, *Childhood hematologic cancer and residential proximity to oil and gas development*, 12 PLOS One 1, 1 (2017), https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0170423.

[60] *Id.* at 2.

[61] Lisa M. McKenzie *et al.*, *Congenital heart defects and intensity of oil and gas well site activities in early pregnancy*, 132 Env't Int'l 104949, 104949 (2019), https://www.sciencedirect.com/science/article/pii/S0160412019315429?via%3Dihub.

Children play soccer next to Inglewood Oil Field. Photo credit Gary Kavanagh / Inside Climate News.

69. In addition to all of the above, the exhausted wells in Los Angeles County are frequently located in low-income, predominantly minority communities, raising environmental justice concerns. People of color are more likely to live near oil and gas wells in Los Angeles County. Specifically, 44% of African Americans, 38% of Asians, and 37% of Latinos live near oil and gas wells, compared with 31% of whites.[62]

Residences neighboring oil wells in Los Angeles County. Photo credit Wray Sinclair / NRDC.

[62] Andrade *et al.*, *supra* note 5, at 2.

70. Low-income areas in the County have more oil and gas activity than higher income areas. For instance, the low-income areas of South Los Angeles and Wilmington have sites that are, on average, 260 to 315 feet closer to residential areas than oil sites in higher income areas.[63] Wells in low-income areas are disproportionately left without proper decommissioning.

71. A 2018 survey study led by students in UCLA's Institute of the Environment & Sustainability compared health conditions and symptoms reported by residents living near a well site in Wilmington, a predominantly Latino, lower-income neighborhood in Los Angeles, with those reported by residents living near a well site in West Pico, a predominantly white, higher-income neighborhood close to Beverly Hills.[64] The study also surveyed residents of Pacoima, a neighborhood with similar demographics to Wilmington but without oil wells. Residents of Wilmington had statistically significant higher incidences of coronary heart disease, throat infections, nausea/vomiting, dizziness, chest pain or tightness, and overall disease burden than residents of West Pico and residents of Pacoima.[65]

An oil well pump jack and tank adjacent to basketball courts in the Wilmington neighborhood. Photo credit Robyn Beck / AFP via Getty Images.

[63] *Id.* at 2.
[64] *Id.* at 8–9.
[65] *Id.*

72. A recent report by the Liberty Hill Foundation similarly identified significant health and safety concerns from urban oil operations in Los Angeles neighborhoods.[66] One family discovered that a well facility behind their house was leaking hydrogen sulfide, making them sick.[67] Another family learned that Freeport-McMoRan wells were releasing methane into the air at levels 40 times above allowable limits.[68] Near the IOF, residents had to be evacuated twice in 2006 due to noxious odors. One resident recalled "waking up at three in the morning to a terrible smell that made his wife nauseous."[69]

73. At the May 13, 2025 meeting of the Los Angeles County Board of Supervisors, the Environmental Justice Program Director with Black Women for Wellness explained that Black Women for Wellness and Strategic Concepts in Organizing and Policy Education ("SCOPE") have "canvassed tens of thousands of households impacted by oil drilling, and spoken with thousands who overwhelmingly share stories of health harm like reproductive health issues and frequent headaches, and concerns about the future of sites like the Inglewood Oil Field."[70]

74. The Board also heard testimony from a representative of Communities for a Better Environment who focuses her work on Wilmington and who reported witnessing residents living next door to the oil field "gasping to breathe" and "children unable to go to school because they're suffering from asthma."[71]

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[66] *New Report Highlights Health Concerns for LA Environmental Justice Communities Living Fenceline to Oil Drilling*, Physicians for Social Resp. L.A. (Nov. 18, 2015), https://www.psr-la.org/stay-informed/blog/new-report-highlights-health-concerns-for-la-environmental-justice-communities-living-fenceline-to-oil-drilling; *Drilling Down: The Community Consequences of Expanded Oil Development in Los Angeles*, Liberty Hill Found. (2015), https://libertyhill-assets-2.s3-us-west-2.amazonaws.com/media/documents/Drilling_Down_Report_-_Full.pdf.

[67] *Id.* at 16–17.

[68] *Id.* at 20–21.

[69] *Id.* at 24.

[70] Los Angeles County - Board of Supervisors, *Los Angeles County Board of Supervisors Meeting 5/13/25* at 5:10:52, YouTube (May 13, 2025), https://www.youtube.com/watch?v=J-1aIw7B3n4.

[71] *Id.* at 5:07:36.

75. The IOF is located in the middle of a residential community. Residents near the IOF have raised concerns for years about exposure to toxic chemicals and smog-forming gases, including concerns about the frequency of cancer diagnoses among neighbors.[72] One resident, who lived next door to the IOF for decades, told a reporter in 2019, "We never know exactly what the cause is but it's always in the back of our mind that perhaps the oil fields have impacted the diagnosis, perhaps even caused the cancer. We just don't know[.]"[73]

Residences overlooking the Inglewood Oil Field. Photo credit Jason Armond / Los Angeles Times.

76. Over the last several years, as Los Angeles has considered measures related to oil and gas development, Los Angeles residents and neighborhood councils have submitted statements, including a petition signed by hundreds of Los Angeles residents,[74] documenting the widespread public impact of contamination from nearby oil and gas fields. One Harbor City resident wrote, "My home is constantly filled with black dust and fumes, my family is always

[72] *See, e.g.*, Zack Tawatari, *Culver City Residents Fear Inglewood Oil Field Isn't Safe*, Spectrum News 1 (July 17, 2019, 3:14 PM), https://spectrumnews1.com/ca/southern-california/news/2019/07/17/culver-city-residents-fear-inglewood-oil-field-isn-t-safe.

[73] *Id.*

[74] Liz Jones, *Communication from Public – Council File No: 17-0447*, L.A. Off. City Clerk (Apr. 19, 2021, 3:14 PM), https://clkrep.lacity.org/onlinedocs/2017/17-0447_PC_AB_04-19-2021.pdf.

suffering from headaches, congestion, allergies and asthma."[75] In another submission, the executive director of the Ballona Institute raised concerns for the health of children who visit the Ballona Wetlands outdoor classroom to learn about nature, given the presence of toxic chemicals from oil and gas operations.[76]

77. These risks are heightened by seismic activity in and around Los Angeles County.[77] Los Angeles County is famously seismically active, with the well-known San Andreas fault running along the northern base of the San Gabriel Mountains. There are many other fault lines in the area, including the Northridge Fault, the Newport-Inglewood Fault, and the Puente Hills Fault. This geological instability increases the risk of leaks from oil and gas infrastructure.

78. In sum, the exhausted wells in Los Angeles County present an ongoing risk to the health of residents, the cleanliness of the air, and the state of the climate. Since both the cumulative risk of a well leak and the cumulative emissions of toxic pollutants from exhausted wells will rise over time, the longer an exhausted well stays unplugged and not decommissioned, the greater the risk to the surrounding community. As California State Assemblymember Isaac Bryan, who represents constituents in the areas surrounding the IOF, has observed, "production [in the IOF] in recent years has been marginal, but for decades the negative health impacts surrounding it have cost the nearby community with their life expectancy."[78]

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[75] Harbor City Stakeholder, *Communication from Public – Council File No: 17-0447*, L.A. Off. City Clerk (Sept. 15, 2022, 10:42 AM), https://clkrep.lacity.org/onlinedocs/2017/17-0447_PC_PM_09-15-2022.pdf.

[76] E-mail from Marcia Hanscom, Executive Director, Ballona Institute, to Sharon Dickinson *et al.*, Los Angeles City Council (June 2, 2017, 9:53 AM), https://clkrep.lacity.org/onlinedocs/2017/17-0447_pc_a_6-5-17.pdf.

[77] Hachem & Kang, *supra* note 30, at 4.

[78] Melody Petersen, *Newsom signs bills to close Inglewood Oil Field and increase fines on idle wells*, L.A. Times (Sept. 25, 2024, 3:55 PM), https://www.latimes.com/environment/story/2024-09-25/new-law-targets-inglewood-oil-field-for-well-closures.

4. Interference with property values, economic activity, and beneficial uses

79. In addition to environmental and human health harms, unplugged oil wells can affect property values, impacting the tax base for Los Angeles County. Economic literature on environmental contamination has consistently documented that contamination or even suspected contamination can negatively impact the values of nearby properties.[79] These property value impacts arise not just from direct contamination, but also through the *perceived* risk, or stigma, associated with unknown potential sources of contamination. Thus, for example one study evaluated the willingness of survey respondents to pay for properties with a leaking underground storage tank. Even when respondents were informed that no exposure had occurred, or that any contaminated soil was mitigated through filtration techniques, respondents lowered their home value estimates by 18–24%.[80]

80. According to one recent analysis, the same is true of unplugged oil wells:

> [S]ome recent evidence has suggested that proximity to unplugged oil and gas wells reduces property values considerably. [One] working paper … estimates that property values are roughly $15,000 (11%) lower for each Pennsylvania home within 2 km of an unplugged well compared with similar homes that are not close to unplugged wells. Importantly, the analysis finds that home values fully recover if the well is properly decommissioned, suggesting that the benefits of decommissioning may outweigh their costs if multiple homes are within 2 km of the well, even without accounting for the climate damages associated with methane emissions.[81]

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[79] *See, e.g.*, Dennis Guignet *et al.*, *Impacts of Ground Water Contamination on Property Values: Agricultural Run-off and Private Wells*, 45 Agric. & Res. Econ. Rev. 293–318 (2016), https://doi.org/10.1017/age.2016.16; Robert A. Simons & Jesse D. Saginor, *A Meta-Analysis of the Effect of Environmental Contamination and Positive Amenities on Residential Real Estate Values*, 28 J. Real Est. Res. 71–104 (2006), https://core.ac.uk/download/pdf/7162431.pdf.

[80] Dennis Guignet, *The impacts of pollution and exposure pathways on home values: A stated preference analysis*, 82 Ecological Econ. 53–63 (2012), https://www.sciencedirect.com/science/article/abs/pii/S0921800912002807.

[81] Daniel Raimi *et al.*, *Decommissioning Orphaned and Abandoned Oil and Gas Wells: New Estimates and Cost Drivers*, 55 Env't Sci. & Tech. 10224, 10225 (2021), https://pubs.acs.org/doi/pdf/10.1021/acs.est.1c02234?ref=article_openPDF.

81. Los Angeles County owns several parcels that are adjacent to or proximate to the IOF. For example, the County or its departments own parcels with the AINs 4201003901, 5009005900, 5028021900, 4204003900, 4204014911, all of which are within, border, or are proximate to portions of the IOF. The County's property is impacted by the nuisance Defendants have caused. The risk from air pollution and other contamination diminishes the value of the County's property. The air pollution and other contamination from Defendants' nuisance limits how the County can use its property.

82. Los Angeles County also collects taxes on the assessed value of properties within the county. In particular, the County collects a general property tax of 1% of a property's assessed net taxable value; certain other voter-approved taxes are levied on properties within the County and are also calculated as a percentage of the assessed value of the property. Pursuant to Proposition 13, a property's assessed value generally cannot increase more than 2% per year, except in the event of changes in ownership, new construction, or certain other exceptional circumstances. In fiscal year 2024-2025, the County's property tax receipts were estimated in its annual budget to be $9.485 billion, or 19% of the total county budget.[82]

83. Unplugged oil wells can also affect the public's use of public spaces. For example, a popular off-leash dog park in Culver City was temporarily closed in 2010 after investigation of a water seepage in the park led to the discovery of methane gas in the area.[83]

84. Kenneth Hahn State Recreation Area, which is managed by the County and includes County-owned land, borders the IOF. The four-hundred-acre park includes large areas of

[82] Fesia Davenport, *County of Los Angeles; 2024-25 Final Adopted Budget Charts* at 5 (Oct. 8, 2024), https://file.lacounty.gov/SDSInter/lac/1168728_2024-25FinalAdoptedBudgetCharts.pdf.

[83] Lindsay Barnett, *Culver City dog park the Boneyard closed following discovery of low levels of methane gas*, L.A. Times (Oct. 5, 2010, 6:07 PM), https://www.latimes.com/archives/blogs/la-unleashed/story/2010-10-05/culver-city-dog-park-the-boneyard-closed-following-discovery-of-low-levels-of-methane-gas.

native coastal sage scrub habitat, as well as picnic sites, children's play areas, a community center, a fishing lake and lotus pond, and miles of trails. One Baldwin Village resident who frequently visits the Kenneth Hahn State Recreation Area reported noticing a soapy lemongrass fragrance there, which he later was told was from odor suppressants. He was "unsettled" by the use of odor suppressants to disguise potentially dangerous fumes in the public park, noting that he smelled "industrial smells like sulfur" when driving by the IOF on his daily commute.[84]

85. Not only do exhausted wells emit noxious pollutants and odors, they are also unsightly in a crowded urban environment. Properly plugging and decommissioning a well removes aesthetically displeasing and unnecessary equipment. The surface can then be reclaimed for other uses. Even in a large oil field such as the IOF, where producing wells exist along with idle and exhausted wells, reclaiming the surface occupied by idle and exhausted wells would allow for other beneficial uses. Reclamation of the surface as green space or open space would provide multiple benefits to the community beyond the immediate reduction in pollution that comes with proper decommissioning. With the exhausted wells properly decommissioned, it is possible to initiate regeneration of the degraded land, through soil remediation and reforestation.[85] Restored open spaces support local wildlife and biodiversity and contribute to carbon sequestration, and open space can significantly improve community health and wellbeing.[86] Alternatively, decommissioned and remediated oil wells could be the site of future development and economic activity, which is precluded as long as an unplugged well sits dormant on the property.

[84] *Drilling Down*, *supra* note 66, at 24.
[85] Clement Lau, *Transforming Oil Fields Into Parks: A Cornerstone of Just Transition*, Nat'l Recreation & Park Ass'n (June 27, 2024), https://www.nrpa.org/blog/transforming-oil-fields-into-parks-a-cornerstone-of-just-transition/.
[86] *Id.*

Inglewood Oil Field, as seen from Baldwin Hills Scenic Overlook. Photo credit: Jengod.

C. Exhausted Wells in California Are of No Social Utility.

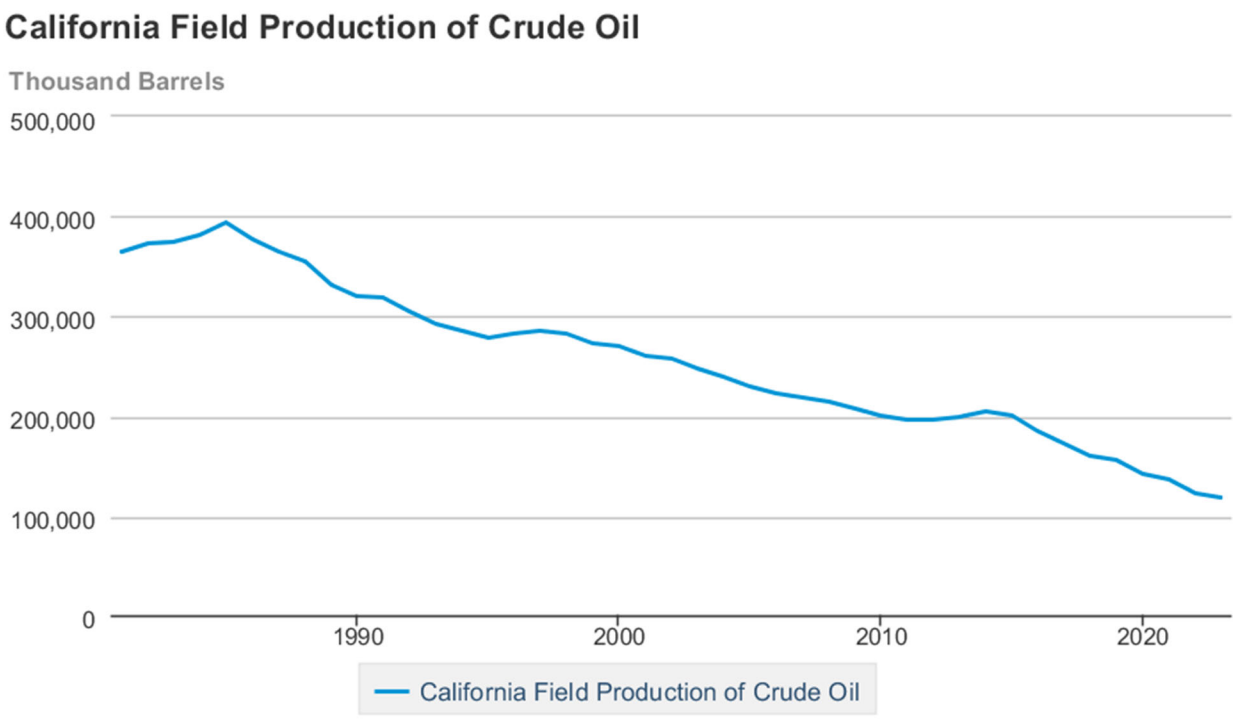
1. Exhausted wells in California are unprofitable and are increasingly remaining idle.

86. Although the extraction of hydrocarbons has had and continues to have an important place in California's economy, the failure to decommission old wells does nothing to promote economic growth. Instead, unplugged exhausted wells do just the opposite: they are a drain on the economy and a burden on the public.

87. Exhausted wells that are not plugged do not provide any benefits to the State, public, or environment. By definition, exhausted wells are producing small amounts of oil or gas, if they are producing at all. Since an exhausted well in Los Angeles County is unlikely to ever resume production, there is no realistic prospect of future benefit either.

88. California's oil and gas production has been in decline for years. Crude oil production in the state peaked in the late 1980s:[87]

[87] *Petroleum & Other Liquids*, U.S. Energy Info. Admin., https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFPCA1&f=A (last visited May 23, 2025).



89. From 1985 to 2014, crude oil production in California decreased by 48%.[88] Since 2014, the decline has accelerated. In 2022, California oil production was only 58% of its 2014 level.[89]

90. The drilling of new wells in California has also slowed, a pattern driven primarily by the market and the decreasing or flat demand for fossil fuel, not by more restrictive regulations.[90] In addition to the drilling of fewer new wells, the average production per well in California has dropped. From 2019 to 2022, Defendant Chevron's average per-well daily production dropped each year, from 4.35 BOE to just 3.08 BOE, and Defendant Sentinel's average

[88] Dwayne Purvis, *"There will be blood:" Decommissioning California's Oilfields* at 10, Carbon Tracker Initiative (May 2023), https://carbontracker.org/reports/there-will-be-blood/.
[89] *Id.*
[90] *See id.* at 12.

per-well daily production rates declined from 6–7 BOE in 2019–2021 to just 3.93 BOE per day in 2022.[91]

91. Even if market conditions were to improve, production is limited by geology. Eventually California's oil and gas reserves will be tapped, and no amount of innovation or market pressure will return a large portion of the state's exhausted wells to meaningful production.

92. The number of exhausted oil wells in California has risen. Operators are increasingly leaving wells inactive, without production, for at least two years. According to data maintained by CalGEM, as of December 2025, operators reported that approximately 35% of reported unplugged oil and gas wells in California were idle.[92] Similarly, CalGEM's actual production data from the end of 2019 through September 2025 shows that, at any given time in that period, between approximately 35% and 41% of oil and gas wells in the state had no oil or gas production over the prior two years.[93]

93. Wells are remaining idle and unplugged for longer periods of time. In 1990, approximately 10,000 wells in California had not produced oil or gas for eight years or more, "long-term idle" wells under the PRC.[94] By 2020, the number of long-term idle wells had grown to over 18,000, with 35,000 overall idle wells.[95] CalGEM data from 2025 estimates 37,000 idle wells

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[91] Kyle Ferrar, *Index of Oil and Gas Operator Health in California*, FracTracker All. (Jan. 30, 2024), https://www.fractracker.org/2024/01/index-of-oil-and-gas-operator-health-in-california-january-2024/.

[92] *WellSTAR Data Dashboard*, Cal. Dep't of Conservation, https://wellstar-dashboard.conservation.ca.gov/ (last visited December 4, 2025) (select "Well Information," filter by "Well Status," showing 29,919 idle onshore wells and 54,926 active onshore wells).

[93] These estimates are based on Well Monthly Production data from 2019 through September 2025 made available through the CalGEM "Bulk Data Downloads" website. *Bulk Data Downloads*, WellSTAR, https://wellstar-public.conservation.ca.gov/General/PublicDownloads/Index (last visited December 3, 2025).

[94] Olalde & Menezes, *supra* note 11.

[95] *Id.*

in California, more than 17,000 of which have been idle for over *fifteen years*.[96] More than 1,200 unplugged wells have been idle for longer than a century.

94. As of December 2025, according to an electronic database created by CalGEM, a *majority* of onshore oil and gas wells in Los Angeles County are currently reported by operators as being "idle," at least 2,783 wells.[97] Averaged over the previous 24 months, CalGEM's production data reflects that roughly 36% of wells with reporting data in Los Angeles County had not produced anything in that time period.[98]

95. In addition to the idle wells in Los Angeles County, there are many exhausted wells that have produced *some* oil or gas in the past twenty-four consecutive months without exceeding two BOE per day. As a result, these oil wells do not come within the State's narrow definition of "idle" wells. According to CalGEM's production data, approximately 18% of the "active" wells in the County with sufficient reporting data fall into this category, producing an average of 0-2 BOE per day over the last twenty-four months.[99]

96. The longer a well is idle, the less likely it is to resume production. In 2020, a study that examined forty years of data concluded that when a well has been idle for just ten months, there is only a 50% chance it will ever produce again; when a well reaches five years of idleness, the chance that it becomes active again falls to 25%.[100]

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[96] *State Oil and Gas Well Plug and Abandonments*, Cal. Dep't Conservation, https://www.conservation.ca.gov/calgem/Pages/State-Abandonments.aspx/ (last visited May 23, 2025).

[97] *WellSTAR*, *supra* note 4.

[98] These figures are based on Well Monthly Production data through September 2025, made available through the CalGEM "Bulk Data Downloads" at https://wellstar-public.conservation.ca.gov/General/PublicDownloads/Index. *See supra* note 93.

[99] These figures are based on Well Monthly Production data through September 2025, made available through the CalGEM "Bulk Data Downloads" at https://wellstar-public.conservation.ca.gov/General/PublicDownloads/Index. *See supra* note 93.

[100] Olalde & Menezes, *supra* note 11.

97. These findings, combined with the long-term decline in oil production and increase in exhausted wells, show that a non-producing well is less likely to resume production today than at any time in California's history.

2. Well operators' attempts to transfer exhausted wells to successor entities confirm that operators view those wells as liabilities, not assets.

98. For the past several decades, operators have frequently avoided their obligations to decommission exhausted wells. One mechanism on which operators have historically relied is transfers of the wells to undercapitalized entities unable to bear the cost of decommissioning. Rather than incurring the cost of decommissioning, operators transfer wells to successor operators, which have often not had sufficient assets to properly decommission these exhausted wells. If a successor entity declares bankruptcy or is otherwise unable to pay to decommission the exhausted wells, those wells become orphaned, and the costs to plug and properly decommission the wells often fall on the State of California or local municipalities, directly affecting taxpayers and communities.[101] Thus, when operators continue to transfer their decommissioning liabilities, the risk that these costs will be borne by the public rises.

99. Industry insiders have confirmed that this strategy is employed as a business decision industry wide. A former oil industry advisor explained publicly that "[t]he plan is that these costs will be transferred," and that "[t]hese obligations will be transferred to the state at some point. Why would a company want to go out and spend hundreds of millions of dollars plugging all of these wells when it could instead pay its executives?" [102]

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[101] *See, e.g.*, Mark Olalde, *Oil bankruptcies leave environmental cleanup bills to California taxpayers*, Palm Springs Desert Sun (June 25, 2021, 12 PM), https://www.desertsun.com/in-depth/news/environment/2021/06/25/oil-bankruptcies-leave-environment-cleanup-california-taxpayers/4977647001/ (describing two bankrupt successor operators that abandoned exhausted wells on Rincon Island, which the State of California subsequently spent at least $27 million to decommission).

[102] *$23 Billion Question*, *supra* note 14, at 15 (citation omitted).

100. The passage of AB 1167 in California appears to have triggered at least one operator, Defendant Chevron, to acknowledge its intent to pass exhausted wells on to undercapitalized entities. Passed on October 7, 2023, AB 1167 prohibits the transfer of a well, unless the transferee has the financial security to pay for the full cost of decommissioning. Within two months, in January 2024, Chevron filed a Form 8-K stating it would be impairing its "U.S. upstream assets," in other words, its oil and gas production sites, including wells, "primarily in California."[103] In its subsequent Form 10-K filing for 2023, the year of AB 1167's passage, Chevron specified that those "higher impairment charges" totaled "$1.8 billion, mainly from assets in California."[104] According to reporting by Consumer Watchdog, Chevron had "hoped to dump [unproductive] wells on another buyer, until [AB 1167] required any buyer of such wells to prove that they had the financial capacity to plug them."[105] If Chevron had intended to transfer its exhausted wells in California only to successor operators that could afford to decommission them, AB 1167 should have had no impact on Chevron's business. The fact that Chevron, shortly after the passage of AB 1167, filed a Form 8-K specifically to report significantly higher impairment charges for its California production assets implies that Chevron believed AB 1167 prevented it from engaging in certain planned transfers of those assets to undercapitalized successor entities.

101. This common industry practice of offloading exhausted wells to successor entities confirms what common sense dictates: that exhausted wells, some of which have been idle for

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[103] Chevron Corporation, Current Report (Form 8-K) at 2 (Jan. 2, 2024), https://chevroncorp.gcs-web.com/static-files/2dfd7336-f466-4269-a2b4-7c13c8d044df.

[104] Chevron Corporation, Annual Report (Form 10-K) at 41 (Feb. 26, 2024), https://www.sec.gov/Archives/edgar/data/93410/000009341024000013/cvx-20231231.htm.

[105] Jamie Court, *Chevron Self-Inflicts Wound In CA; Failed to Plug Low Producing Wells That Yield Only 3 Barrels Of Oil Per Day, Should Blame Itself Not State For 'Impairments,'* Consumer Watchdog (Feb. 2, 2024), https://consumerwatchdog.org/energy/chevron-self-inflicts-wound-in-ca-failed-to-plug-low-producing-wells-that-yield-only-3-barrels-of-oil-per-day-should-blame-itself-not-state-for-write-downs/.

years, are viewed by operators as risky liabilities to be transferred and avoided, not as assets to be preserved for potential future use.

102. Oil companies that disregard their decommissioning obligations are able to evade paying the significant costs of well closure, and so gain the benefit of investing those dollars elsewhere: in payouts to their executives, often based on that inflated share price, dividends to shareholders, stock repurchases that inflate the company's share price, or investments in other ventures. By ignoring their decommissioning obligations, these companies thus earn even larger profits at the expense of the People and the County.

103. For decades, operators have known the overall oil production trends in California and, through geological surveys and other analyses, have been capable of forecasting the profitable life of any given oil well. But despite this knowledge, operators have repeatedly failed to decommission exhausted wells, despite reaping significant profits from California's oil fields. This practice has resulted in decommissioning liabilities far exceeding the possible remaining profits from oil operations in California. A 2023 report estimated that California's onshore decommissioning obligations are at least $13.2 billion, an estimate that would increase to as much as $21.5 billion when extrapolating for known but unquantified costs and inflation. The undiscounted future net proceeds for California's onshore wells, however, will total only $6.3 billion.[106] The same report found that well operators had in fact only pledged $106 million in financial assurance to decommission wells in California, which is less than 1% of the projected total cost.[107] In other words, there is no longer enough oil or gas left to be produced in the State sufficient to cover the cost of decommissioning the unplugged exhausted wells.

[106] *See* Purvis, *supra* note 88, at 5.
[107] *Id.*

D. Absent Intervention, Well Operators Have Little Financial Incentive to Decommission Exhausted Wells.

104. Although exhausted wells have no social utility, operators have no real financial incentive to plug and decommission a well that has reached the end of its economically productive life. In the absence of regulation or litigation, an operator has every financial incentive *not* to spend the money needed to decommission the well.

105. It is costly to plug and decommission an oil or gas well. A 2018 assessment of the State of California's potential well decommissioning liabilities, prepared by the California Council on Science and Technology ("Council"), found a statewide average well-plugging cost of $68,000, based on a small sample of eighty-six wells for which expenditures were reported at the individual-well level.[108] As the Council report explained, many of these well contracts involved "minimal surface restoration," and "[p]rojects involving more complex surface remediation would likely be costlier."[109] Based on this sample, the Council found that "[c]osts in the densely-populated Southern district near Los Angeles are about three times higher than in other regions."[110] Of the eighty-six well contracts reviewed, only seventeen were in the Southern District; these seventeen had an average cost of $152,000.[111] As noted above, more recent estimates indicate that this figure is far too low. In its August 2023 legislative report, CalGEM projected the cost to plug and decommission wells in the Southern District to be $923,000 per well.[112] Decommissioning costs are "highly variable depending on well and facility condition,

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[108] Judson Boomhower *et al.*, *Orphan Wells in California: An Initial Assessment of the State's Potential Liabilities to Plug and Decommission Orphan Oil and Gas Wells* at 24, Cal. Council on Sci. & Tech. (Nov. 2018), https://ccst.us/wp-content/uploads/CCST-Orphan-Wells-in-California-An-Initial-Assessment.pdf.

[109] *Id.* at 21.

[110] *Id.* at 24.

[111] *Id.*

[112] *Idle Well Program Legislative Report*, *supra* note 9, at 25–26.

size, location, and other factors,"[113] and such costs are far higher in densely populated areas like Los Angeles County.

106. Defendants do not dispute the actual costs to decommission oil and gas wells. FCX, the parent company of Defendant FMOG, acknowledged in its 2016 Form 10-K annual report, just one year before transferring its IOF interests to Defendant Sentinel, that it had substantial "plugging and abandonment obligations related to our remaining oil and gas properties." Furthermore, FCX reported that "[c]ompliance with environmental regulatory requirements involves significant costs and may constrain existing operations or expansion opportunities" and that "[w]e incur significant costs for remediating environmental conditions on properties that have not been operated in many years."[114]

107. Chevron Corporation, the parent company of Defendant Chevron, similarly acknowledged in its 1995 annual report that it maintained "reserves for dismantlement, abandonment and restoration of its worldwide oil, gas and coal properties at the end of their productive lives," which it listed as a capitalized cost in the United States of over $1 billion.[115] In recent years, Chevron Corporation has had to repeatedly revise upwards, to the tune of over a billion dollars in each of 2023 and 2020 alone, its estimated asset retirement obligations, "primarily reflect[ing] increased cost estimates and scope changes to decommission wells, equipment and facilities."[116]

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[113] *Id.* at 9.
[114] Freeport-McMoRan Inc., Annual Report (Form 10-K) at 41, 49, 51 (Feb. 24, 2017), https://www.sec.gov/Archives/edgar/data/831259/000083125917000012/a2016form10-k.htm.
[115] *Chevron Corporation 1995 Annual Report: New Prospects. New Perspectives* at 28, 55, Chevron (1995), https://www.annualreports.com/HostedData/AnnualReportArchive/c/NYSE_CVX_1995.pdf.
[116] Chevron Corporation, Annual Report (Form 10-K) at 99 (Feb. 26, 2024), https://www.sec.gov/Archives/edgar/data/93410/000009341024000013/cvx-20231231.htm.

E. Unplugged Exhausted Wells Are Contrary to Public Policy and a Nuisance.

108. Exhausted, unplugged wells not only pose risks to human health and the environment and impair local property values, but also pose a significant risk of shifting liabilities onto the State or local governments. Operators' failure to responsibly decommission exhausted wells is contrary to California Public Resources Code section 3106 and Los Angeles County Code section 22.310.050. Additionally, exhausted, unplugged wells have no social utility, because there is no realistic likelihood they will ever return to production.

109. Additionally, the State legislature has recognized that wells that are not properly decommissioned can become public nuisances and threaten life, health, and natural resources. *See* Cal. Pub. Res. Code § 3250 ("The Legislature hereby finds and declares that hazardous and certain idle-deserted oil and gas wells and hazardous and deserted facilities, as defined in this article, are public nuisances and that it is essential, in order to protect life, health, and natural resources that those oil and gas wells and facilities be abandoned, re-abandoned, produced, or otherwise remedied to mitigate, minimize, or eliminate their danger to life, health, and natural resources.").

F. Inglewood Oil Field.

110. The 1,000-acre IOF is the largest urban oil field in the United States and is located adjacent to the communities of Baldwin Hills, Culver City, Windsor Hills, Ladera Heights, and View Park. The IOF is surrounded by a mix of single and multi-family dwellings as well as recreational, institutional, commercial, and industrial land uses. More than one million people live within five miles of the field. The neighborhoods surrounding the IOF are racially and ethnically diverse. Based on available estimates from 2020 to 2023, the population of these communities is

approximately 33% Black or African American, 29% Non-Hispanic White, 24% Hispanic or Latino, 10% Asian, and 5% Other, Mixed, or Pacific Islander.[117]

Homes bordering the Inglewood Oil Field. Photo credit Al Seib / Los Angeles Times.

111. According to CalGEM monthly production data through November 30, 2025, of the 581 unplugged wells in the IOF appearing in oil and gas production data, fully 27% (157) are "idle" under the definition set forth by the PRC, and another 70 have averaged less than or equal to 2 BOE/day over the prior 24 months.[118] In total, 39% of the IOF's oil and gas wells are exhausted wells that have not been plugged.[119]

112. Oil and natural gas resources were discovered within the current boundaries of the IOF in 1924. The Standard Oil Company of California (a predecessor to Defendant Chevron's

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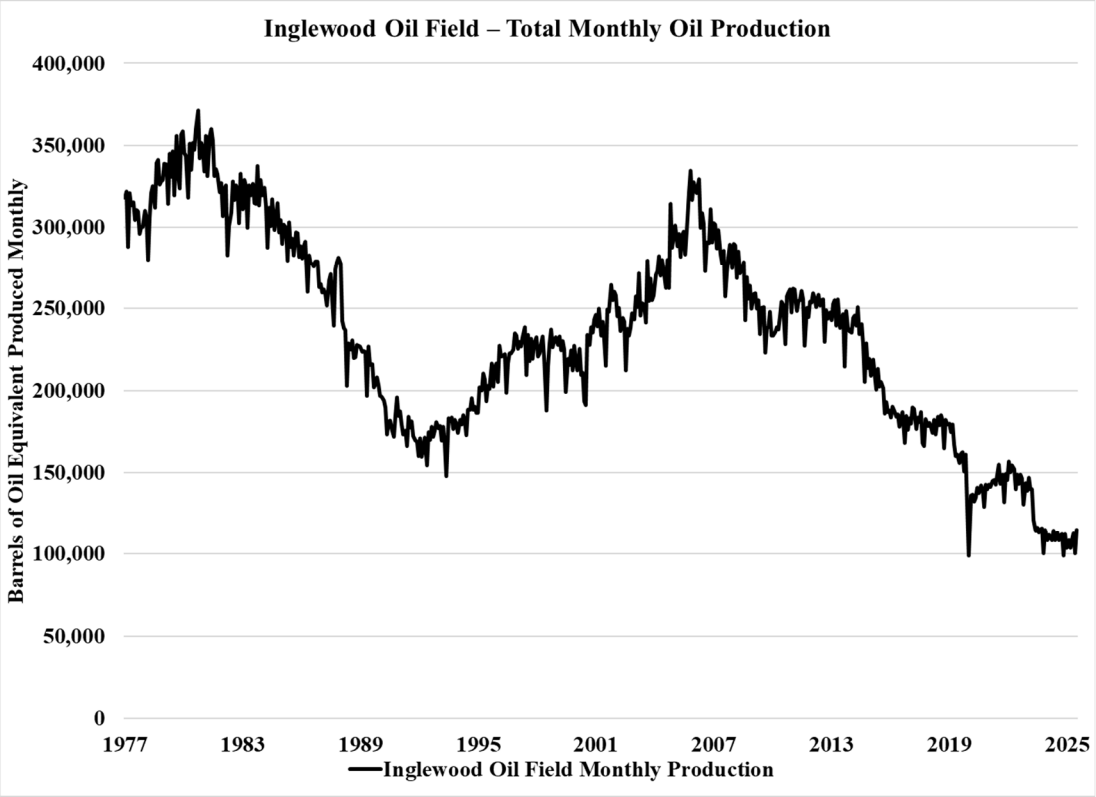
[117] U.S. Census Bureau, Decennial Census (2020) & American Community Survey 5-Year Estimates (2018–2022), https://data.census.gov; *see also* U.S. Census Bureau, QuickFacts: View Park–Windsor Hills CDP, California, https://www.census.gov/quickfacts/fact/table/viewparkwindsorhillscdpcalifornia/PST045222 (last visited July 30, 2025) (demographic statistics derived by aggregating census-designated place data and city neighborhood data for Baldwin Hills, View Park–Windsor Hills, Ladera Heights, and Culver City using U.S. Census and ACS estimates, supplemented by local data from Los Angeles Almanac, https://www.laalmanac.com/population/po24la.php (last visited Aug. 15, 2025)).

[118] These figures are based on Well Monthly Production data through November 30, 2025, made available through the CalGEM "Bulk Data Downloads" website. *See supra* note 99.

[119] *Id.*

parent company, Chevron Corporation) began to produce commercial quantities of oil from the field in 1925, with oil and gas production continuing to the present day. While oil and gas production continues, it is now declining, and the field's production today pales in comparison to its production at its peak in the early to mid-20th century.

113. As the chart below illustrates, overall oil production in the field has declined steadily since its most recent peak in the mid 2000s, and the IOF produces approximately a third or less of that peak production during the early 2000s. The likelihood that these idle wells will one day produce again is extraordinarily low.

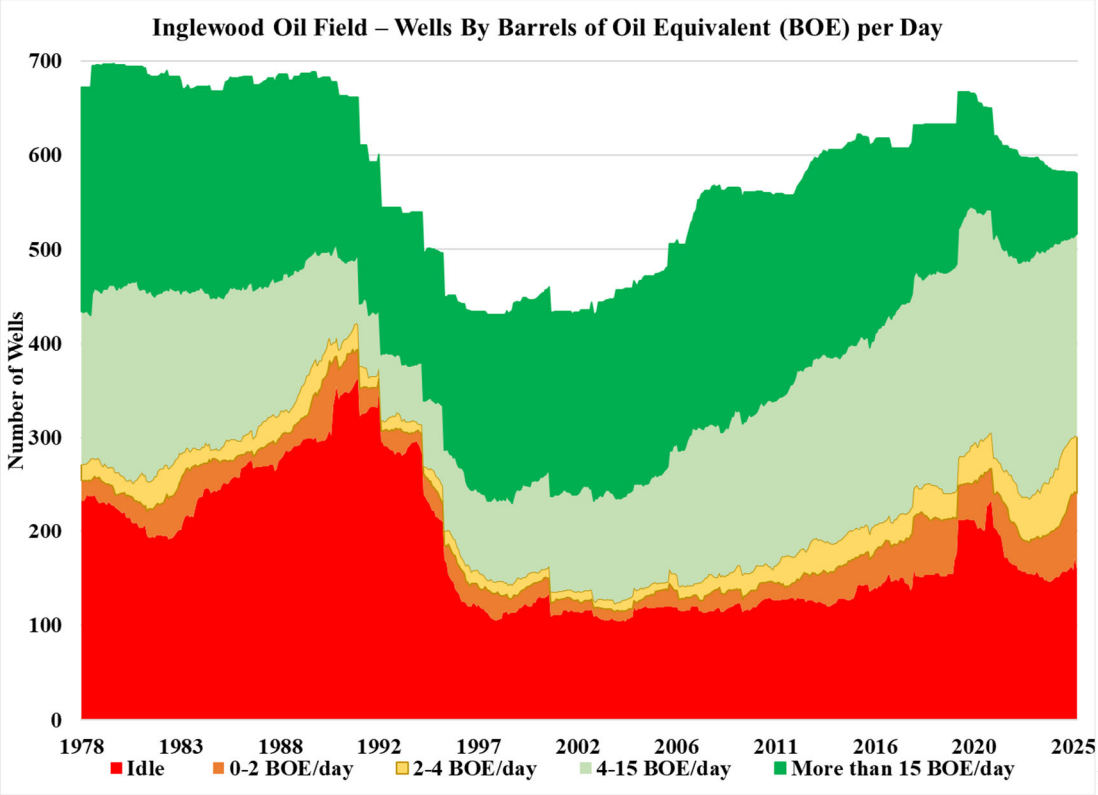


[120]

114. The chart below shows the proportion of idle oil wells for which there is oil and gas production data. The number of such wells that have been idle for two or more years has remained between approximately 100 and 200 wells every year since the mid-1990s, roughly one-fifth to

[120] *Id.*

one-fourth of the field's production wells at any time. At no point during those times did any of the Predecessor Defendants make any meaningful progress in properly decommissioning these wells. Consistent with the chart below, Defendant Sentinel confirmed in late 2024 that "over eighty percent (80%) of the active-producing wells currently operating in Inglewood Field produce less than 15 barrels of oil and less than 60,000 cubic feet of gas per day."[121]



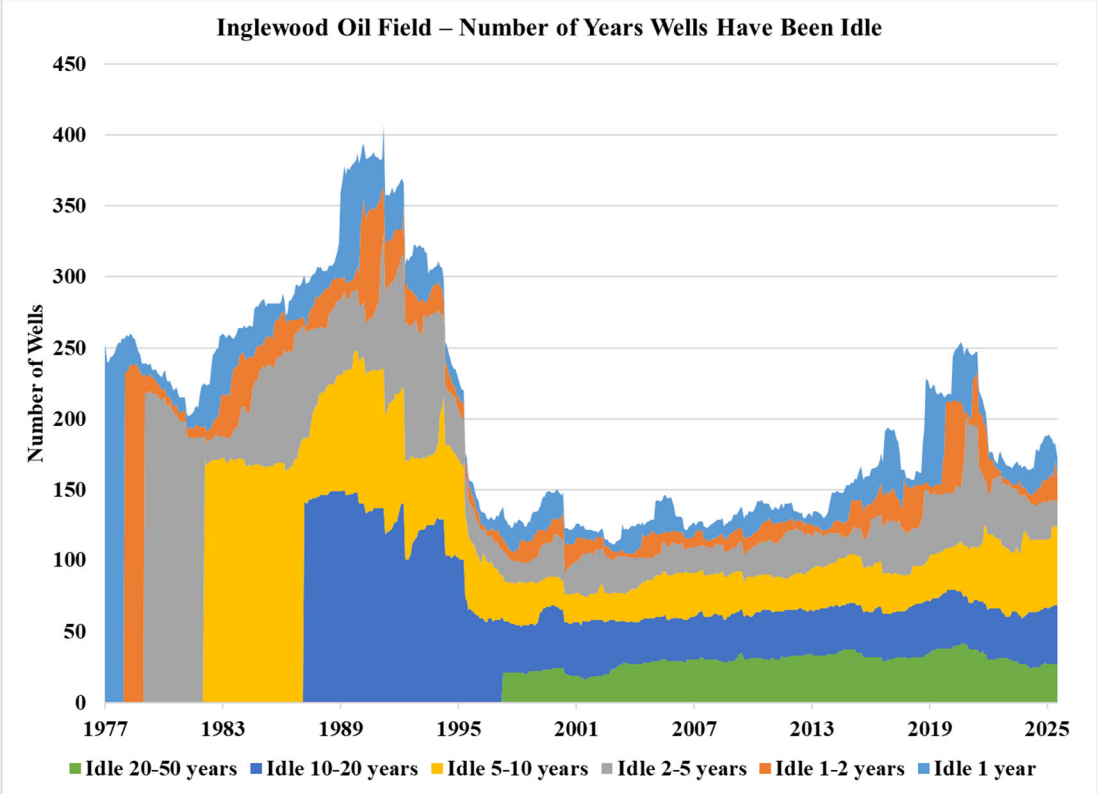
[122]

115. Many of those idle wells have been idle far longer than two years. As the following chart illustrates, the majority of idle production wells in the IOF have been idle for more than five

[121] Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief, Constitutional Violations, Inverse Condemnation, and Damages ("Verified Pet. for Writ of Mandate & Compl.") ¶ 39, *Sentinel Peak Res. Cal. LLC v. State*, No. 24 STCV 31066 (Cal. Super. Ct. L.A. Cnty. Dec. 4, 2024).

[122] These figures are based on Well Monthly Production data through November 30, 2025, made available through the CalGEM "Bulk Data Downloads" website. *See supra* note 93.

years.[123] The number of idle wells in the IOF that have been idle for ten or more years has consistently been nearly half of all idle wells in the field.[124]



[125]

1. Operators of the IOF

116. Between 1924 and 1977, numerous operators produced oil and natural gas from the IOF. Chevron consolidated ownership and became the primary operator of the IOF by the late 1970s.

[123] CalGEM's production data for the IOF only goes back to 1977. As a result, a well in this limited dataset would not appear to have been idle prior to 1977. In fact, however, many wells that were already idle in 1977 had been idle for years prior to that year.

[124] In addition, wells that do not appear in the oil and gas production data, like certain injection or other types of wells, may not be included in the idle-well counts depicted in these charts. Yet a number of such wells in IOF have also been left idle by Defendants.

[125] These figures are based on Well Monthly Production data through November 30, 2025, made available through the CalGEM "Bulk Data Downloads" website. *See supra* note 93.

117. In 1990, Chevron sold its interest in its IOF operations together with other properties to Stocker for $59.9 million.[126] Stocker was a sole purpose company formed in 1990 to acquire substantially all of Chevron U.S.A.'s producing oil properties in the Los Angeles Basin.

118. Although Chevron sold its IOF assets "as is," Chevron retained "all of the obligations" accrued as of the date of the sale and assumed responsibility for remediation costs for conditions identified within one year of the sale.[127]

119. Chevron and Stocker acknowledged that the full scale of environmental liabilities at the site was unknown. This included acknowledgment that the IOF assets "may contain buried pipelines and other equipment … which may not [then] be known by [Chevron] or be readily apparent by physical inspection of the property."[128] It also included acknowledgment that Chevron had declined to "determine the exact nature or condition of the Assets nor the effect any such use has had on the physical condition of the Assets," purportedly because Chevron "d[id] not have the requisite information" to make such determinations.[129]

120. The parties' agreement directly acknowledged the IOF's potential harm to the surrounding community, including "that detectable amounts of chemicals known to the State of California to cause cancer, birth defects and other reproductive harm may be found in, on or around the Assets."[130]

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[126] Second Amended Complaint, Ex. H (Asset Sale Contract between Chevron U.S.A., Inc. and Stocker Resources, Inc. dated June 29, 1990 ("Stocker Asset Sale Contract")) ¶ 5, *McFarland Energy, Inc. v. Chevron U.S.A. Inc.*, No. BC023747 (Cal. Super. Ct. L.A. Cnty. Aug. 20, 1991).

[127] Stocker Asset Sale Contract ¶¶ 17.B,19.E; Second Amended Complaint, Ex. H (Assignment of Oil and Gas Leases between Chevron U.S.A. Inc. and Stocker Resources, Inc.) ("Assignment of Oil and Gas Leases")) Preamble, *McFarland Energy, Inc. v. Chevron U.S.A. Inc.*, No. BC023747 (Cal. Super. Ct. L.A. Cnty. Aug. 20, 1991).

[128] Stocker Asset Sale Contract ¶ 18.A.

[129] *Id.*

[130] *Id.* ¶ 18.B.(iii).

121. Though Stocker "assume[d] the risk of condition of the Assets [in IOF], including compliance with all laws, rules, orders and regulations affecting the environment, whether existing before or after Closing" of the sale, with respect to "the plugging and abandonment of existing wells, the restoration of the surface of the land and the removal of or failure to remove any sumps, foundations, structures or equipment therefrom," such indemnification was limited to "matters existing on the date" of the assignment.[131]

122. While Stocker agreed to "comply with all applicable laws, ordinances, rules and regulations regarding the operation and abandonment" of the IOF, others in the oil and gas industry held "serious concerns about whether … Stocker … would comply with all applicable environmental laws and exercise the high degree of care necessary to conduct oil operations in an urban environment," like the IOF.[132] These concerns were known or should have been known to Chevron at the time of the asset sale.

123. The Asset Sale Contract between Chevron and Stocker provided that Stocker grant Chevron a right of entry "to perform environmental remedial work" if Chevron, "in its sole discretion, determines that such action is necessary to reduce alleged future environmental liabilities of Seller [Chevron]."[133]

124. When Stocker was formed in 1990 to acquire Chevron's IOF properties, Defendant Chevron recognized the problem of exhausted wells throughout the IOF, the IOF operator's obligation to plug and decommission oil and gas wells at the expiration of the wells' useful economic lives, and the need to set aside funds sufficient to cover the monumental cost to properly plug and decommission such wells. Chevron contemplated that the IOF and other leased premises

[131] *Id.* ¶ 17.A; Assignment of Oil and Gas Leases ¶ 4.d.
[132] Assignment of Oil and Gas Leases ¶ 4.c; Second Amended Complaint ¶ 34, *McFarland Energy, Inc. v. Chevron U.S.A. Inc.*, No. BC023747 (Cal. Super. Ct. L.A. Cnty. Aug. 20, 1991).
[133] Stocker Asset Sale Contract ¶ 19.F.

would incur future plugging and abandonment costs, evidenced by the Asset Sale Contract's inclusion of an escrow agreement for an "Abandonment and Environmental Fund," into which Stocker was to pay $500,000 on closing and an additional $1.5 million a year later.[134] Notably, Chevron required stringent reserves for future well abandonment liabilities in earlier agreements governing Chevron's operation of oil and gas wells on other properties in Los Angeles, including that Chevron would "accrue a reserve … for the purpose of applying such reserve to the abandonment costs of each well drilled pursuant to th[e] agreement … equal to one per cent (1%) of the sale value of the oil, gas and other hydrocarbon substances produced from [the leased property under the lease]."[135] These provisions demonstrate Chevron's longtime understanding that its oil and gas wells would require decommissioning, once the wells were no longer productive, and that the costs of decommissioning would be significant.

125. In June 1992, Plains Resources acquired Stocker in a mixed cash and stock offering for an aggregate purchase price of approximately $23 million.[136]

126. As part of its acquisition of Stocker, Plains Resources assumed commitments made to plug and decommission exhausted wells in the IOF. Specifically, Plains Resources assumed Stocker's obligation, under amended terms of the asset sale contract between Stocker and Chevron, to plug and abandon 20% of the then-remaining exhausted wells. That obligation commenced with the year beginning January 1, 2000, and carried forward each year thereafter. The exhausted wells subject to the terms of that agreement currently total approximately 270. To the extent Plains

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[134] *Id.* ¶ 28.

[135] Second Amended Complaint, Ex. A (Agreement between Jade Oil & Gas Co., as predecessor to McFarland Energy, Inc., and Standard Oil Company of California, as predecessor to Chevron, dated April 23, 1969) § 20, *McFarland Energy, Inc. v. Chevron U.S.A. Inc.*, No. BC023747 (Cal. Super. Ct. L.A. Cnty. Aug. 20, 1991).

[136] *Plains Resources acquires Stocker Resources*, United Press Int'l (June 8, 1992), https://www.upi.com/Archives/1992/06/08/Plains-Resources-acquires-Stocker-Resources/3982707976000/.

Resources chose not to plug and decommission the required number of wells, it was required to escrow an amount equal to the greater of $25,000 per well or the actual average plugging cost per well, to provide for the future plugging and abandonment of such wells. Plains Resources disclosed in its 1995 Form 10-K that these provisions were "[c]onsistent with normal industry practices" requiring that "upon termination of economic production, the working interest owner [i.e., the operator] plug and abandon non-producing wellbores, remove tanks, production equipment and flow lines and restore the wellsite."[137]

127. In addition, the agreement between Chevron and Stocker required Stocker (and later Plains Resources) to dedicate funds annually to remediating soil contaminated by well operations. Stocker was required to expend a minimum of $600,000 per year in each of the ten years beginning January 1, 1996, and $300,000 per year in each of the succeeding five years to remediate oil-contaminated soil from existing well sites. In the event Stocker and, later, Plains Resources, did not expend the required amounts during a calendar year, it was required to contribute an amount equal to 125% of the actual shortfall to an escrow account.

128. In late 1993, Plains Resources acquired, for approximately $5 million, all of Texaco Exploration and Production, Inc.'s ("Texaco") interest in the portion of the IOF referred to as the "Vickers Lease," further consolidating Plains Resources' holdings in the oilfield.

129. In December 1995, Plains Resources amended its asset purchase agreement with Texaco to remediate sections of its Los Angeles Basin properties impacted by prior drilling and production operations. Under this agreement, Texaco agreed to investigate contamination at the Los Angeles Basin properties and potentially remediate specific areas contaminated with hazardous substances, such as volatile organic substances and heavy metals, and Plains Resources agreed to excavate and remediate nonhazardous oil-contaminated soils.

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[137] Plains Resources Inc., Annual Report (Form 10-K) at 34 (Mar. 4, 1996), https://www.sec.gov/Archives/edgar/data/350426/0000899243-96-000151.txt.

130. Furthermore, under this agreement, Plains Resources was obligated to construct and operate, through 2010, at least a five-acre parcel of land as bioremediation cells for oil-contaminated soils designated for excavation and treatment by Texaco, evidencing the parties' understanding that operation of IOF may require soil remediation in the future. Chevron acquired Texaco in 2001, and, with that acquisition, should have assumed this obligation.

131. In late 2002, Plains Resources spun off its oil and gas exploration and production business, establishing PXP as an independent company. PXP took over operating the IOF in December 2002.

132. In December 2012, PXP, FCX, and IMONC LLC, a wholly owned subsidiary of FCX, entered into a merger agreement. In May 2013, Freeport completed its acquisition of PXP, and PXP merged with and into IMONC LLC. At the same time, IMONC LLC changed its name to Freeport-McMoRan Oil & Gas LLC (herein, "FMOG"). As a result of the merger, PXP ceased to exist, and FMOG continued as the surviving company and a direct wholly owned subsidiary of FCX.

133. In 2013, FMOG became the operator of the oil and gas facilities throughout the entire IOF.[138]

134. In July 2016, FCX sold its entire portfolio of onshore California oil and gas properties (including the IOF) to Denver-based Sentinel. Defendant Sentinel assumed operation of the entire IOF, as of January 1, 2017.[139]

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[138] *FCX Completes Acquisition of Plains Exploration & Production Co.*, Freeport-McMoRan (May 31, 2013), https://investors.fcx.com/investors/news-releases/news-release-details/2013/FCX-Completes-Acquisition-of-Plains-Exploration--Production-Co/default.aspx.

[139] *Sentinel Peak Resources Announces Closing of the Acquisition of Freeport-McMoRan's Onshore California Assets*, Sentinel Peak Res. (Jan. 3, 2017), https://sentinelpeakresources.com/240-2/.

135. Defendant Sentinel was formed in April 2016, only three months prior to the announcement of the deal with FCX. Sentinel was formed by the private equity firm Quantum Energy Partners with former executives of Berry Petroleum to acquire and develop oil and gas assets in California.

136. Sentinel paid FCX up to $742 million for FCX's California oil and gas property portfolio. In the transaction, FCX received $592 million cash at closing, and Sentinel also agreed to contingency payments of $50 million per year from 2018 to 2020, contingent on the average price per barrel of crude oil.[140]

137. In its press release describing the transaction, FCX also provided a "book value" of $100 million for the future decommissioning costs, or Asset Retirement Obligations ("AROs"), for all of the wells in the transaction, of which the IOF wells were only a fraction.[141] That $100 million ARO estimate appears to have underestimated the actual liabilities being transferred. As noted above, the total number of unplugged oil and gas wells in the IOF, according to CalGEM's production data as of June 30, 2025, is 581. When multiplied by CalGEM's estimate of the costs to plug wells in the Southern District, the total is over $500 million.[142] Yet that estimate does not even include the injection and other wells in the IOF that will need to one day be plugged. The IOF wells were also only a portion of the wells included in the transfer. Therefore, even if the costs were half of what CalGEM estimated, FCX's "book value" of $100 million for the future ARO of *all* wells in the transfer was artificially low.

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[140] Darren Barbee, *Freeport-McMoRan Deal Makes Way For California Newcomer Sentinel Peak*, Hart Energy (Oct. 14, 2016, 2:22 PM), https://www.hartenergy.com/exclusives/freeport-mcmoran-deal-makes-way-california-newcomer-sentinel-peak-29266.

[141] *Freeport-McMoRan Announces Agreement to Sell Onshore California Oil & Gas Properties for $742 Million, Including Contingent Consideration*, U.S. Sec. & Exch. Comm., (Oct. 14, 2016), https://www.sec.gov/Archives/edgar/data/831259/000083125916000097/exhibit991-10x14x2016.htm.

[142] *See Idle Well Program Legislative Report*, *supra* note 9, at 25 (estimating the plug and abandonment cost for the Southern District as $923,000 per well, "higher [than the Northern or Inland District estimates] due to its highly urban environment and associated costs for operation in these spaces").

138. This pattern of operators intentionally understating the scale of their ARO to incentivize transfers repeatedly occurred in Defendants' transactions over the last 20 years.

139. For instance, at the end of 2012, before FCX and PXP finalized their merger, Plains Resources listed its ARO at $584 million.[143] However, after the FCX-PXP merger, FCX listed the same ARO liabilities at $741 million, more than $150 million higher, only five months later.[144]

140. Defendants have a demonstrated pattern of understating the plugging and other ARO costs, including as those obligations are transferred through a chain of operators. The shifting nature of Defendants' estimates for these liabilities makes clear why it is critical that Defendants complete the plugging of the exhausted wells now and provide for the funding of all additional unplugged wells.

141. While some of the historical operators of the IOF have divested out of California oil and gas production entirely, others remain some of the largest well operators in the State. Defendant Chevron, for example, operates approximately 9,000 idle wells and countless more exhausted, but not yet idle, wells.[145] Defendant Sentinel operates over 2,000 idle wells and additional exhausted wells.[146] Consistent with historical trends, these operators' average daily

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[143] Plains Exploration & Production Company, Annual Report (Form 10-K) at F-35 (Apr. 29, 2014), https://www.sec.gov/Archives/edgar/data/891456/000119312513068265/d464712d10k.htm.

[144] Freeport-McMoRan Copper & Gold Inc., Annual Report (Form 10-K) at 179 (Feb. 27, 2014), https://www.sec.gov/Archives/edgar/data/831259/000083125914000006/a2013form10-k.htm. Similarly, when FCX divested its offshore oil and gas operations, it reduced its ARO liabilities by $500 million. *Freeport-McMoRan Announces Agreement to Sell its Deepwater Gulf of Mexico Properties*, FreePort-McMoran (Sept. 12, 2016), https://investors.fcx.com/investors/news-releases/news-release-details/2016/Freeport-McMoRan-Announces-Agreement-to-Sell-its-Deepwater-Gulf-of-Mexico-Properties/default.aspx. However, the buyer, Anadarko Petroleum, marked the same assets during the same time period to have AROs of $813 million. Anadarko Petroleum Corporation, Annual Report (Form 10-K) at 99 (Feb. 17, 2017), https://www.sec.gov/Archives/edgar/data/773910/000077391017000020/apc201610k-10k.htm.

[145] Ferrar, *supra* note 91.

[146] *Id.*

production per well has dropped to borderline uneconomic levels across the State. From 2019 to 2022, Defendant Chevron's average per-well daily production dropped each year, from 4.35 BOE to just 3.08 BOE, and Defendant Sentinel's average per-well daily production rates declined from 6–7 BOE in 2019–2021 to just 3.93 BOE per day in 2022.[147]

142. Since Sentinel began operating the IOF, multiple spills and leaks have taken place at the oilfield. In November 2018, a tank containing an oil-water mixture overflowed and caused a benzene exposure estimated at seven times the legal limit set by the EPA, causing many residents to call the air board hotline with complaints of noxious odors.[148] The benzene exposure may have extended as far as 4,100 feet from the tank overflow location. In April 2019, an oil spill ran down a hill, along the gutter and down into a storm drain. In March 2021, operators alerted the public to a possible methane leak. A month later, a pipeline leaked 1,600 gallons of oil on the field. In July 2021, operators notified the public of a leak of sixty barrels of contaminated water, after members of the public had filed odor complaints.[149]

2. Despite actions taken by the County and the establishment of a Community Standards District, hundreds of exhausted wells remain unplugged in the IOF.

143. Over the last twenty years, the County has worked with community stakeholders to protect the health and safety of the communities neighboring the IOF. Following a series of accidental gas release and odor events in late 2005 and early 2006, community concerns about the IOF rose. One of the actions the County took to address the public nuisance of the IOF was to establish regulations for oil and gas production activities within the County's portion of the IOF through the Baldwin Hills Community Standards District ("CSD"), which governs oil and gas operations in the portion of the IOF that falls within unincorporated Los Angeles County.

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[147] *Id.*

[148] *Baldwin Hills Inglewood Oil Field*, Clean Break, https://cleanbreak.info/la-county-drilling-baldwin-hills-inglewood-oil-field/ (last visited Aug. 11, 2025).

[149] *Id.*

144. A purpose of the CSD is "to protect the comfort, health, safety, and general welfare of people living, working, and recreating in the surrounding areas."[150] Defendant Sentinel, the current operator of nearly all the oil wells in the IOF, similarly recognizes that the CSD at least seeks to "ensure[] that oil field operations are conducted in a safe manner and are compatible with the surrounding uses."[151] In furtherance of that purpose, the CSD requires that the operator of wells in the County's portion of the IOF "at all times conduct oil operations to prevent the unauthorized release, escape, or emission of dangerous, hazardous, harmful and/or noxious gases, vapors, odors, or substances"[152] and that "[a]ll facilities that have reached the end of their useful economic life … be properly decommissioned and removed from the oil field within one year."[153]

145. Despite the rules established in the CSD, hundreds of exhausted wells, which long ago reached the end of their useful economic lives, remain unplugged. The public nuisance from these exhausted wells is ongoing today.

146. Research being done on the impacts of the IOF has shown that community members living near oil and drilling sites may be exposed to health hazards. An April 2025 Baldwin Hills health assessment found that living downwind of IOF is associated with preterm births. Researchers have also documented health effects co-occurring with odor complaints, including symptoms such as recurring headaches, nausea, eye, nose, throat, and airway irritation, even when emissions were within regional air quality standards.

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[150] L.A. Cnty. Code § 22.310.010.

[151] Verified Pet. for Writ of Mandate & Compl. ¶ 22, *Sentinel Peak Res. Cal. LLC v. State*, No. 24 STCV 31066 (Cal. Super. Ct. L.A. Cnty. Dec. 4, 2024).

[152] L.A. Cnty. Code § 22.310.050.B.

[153] *Id.* § 22.310.050.U.1. Title 22 of the Los Angeles County Code defines "Decommissioning" as the "discontinuance of a specific use; the removal, including but not limited to safe storage, disposal, or recycling, of all structures, equipment, footings, fencing, and any other on-site or off-site components associated therewith; and site restoration." *Id.* § 22.14.040 - D (2025).

V. CAUSES OF ACTION

FIRST CAUSE OF ACTION

Violations of California Civil Code §§ 3479 and 3480
By The People Against All Defendants

(Public Nuisance)

147. The People reallege and incorporate by reference the allegations in each of the above paragraphs as though fully set forth herein.

148. This cause of action is brought pursuant to California Code of Civil Procedure section 731 in the name of the People of the State of California to abate a public nuisance, as defined in Section 3480 of the Civil Code, by the County Counsel.

149. California Civil Code section 3479 defines a "nuisance" as "[a]nything which is … indecent or offensive to the senses," or "an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property," or "unlawfully obstructs the free passage or use, in the customary manner, of any navigable lake, or river, bay, stream, canal, or basin, or any public park, square, street, or highway." Cal. Civ. Code § 3479.

150. California Civil Code section 3480 defines a "public nuisance" as "one which affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon individuals may be unequal." *Id.* § 3480.

151. California Civil Code section 3490 states that "[n]o lapse of time can legalize a public nuisance, amounting to an actual obstruction of public right." *Id.* § 3490.

152. The County Counsel brings this cause of action on behalf of the People to protect them, their property, and their health from the public nuisance to which Defendants have substantially contributed.

153. Each Defendant, by their affirmative acts and omissions, has created or assisted in the creation of a condition that is injurious to the health of and interferes with the comfortable enjoyment of life and property of entire communities or neighborhoods or of any considerable number of persons in the County in violation of California Civil Code sections 3479 and 3480, including, in the case of all Defendants, by failing to decommission exhausted wells; and, in the case of Defendants Chevron, Plains Resources, and FMOG, by transferring those exhausted wells to successor operators without decommissioning the wells first.

154. Defendants also created, caused, or assisted in the creation of a nuisance by failing to sufficiently fund decommissioning of idle wells. Beginning at least with the asset sale contract between Chevron and Stocker in 1990, the operator of the IOF agreed to establish escrow accounts to fund the proper abandonment of exhausted wells. Defendants have also maintained reserves for the retirement of assets, including oil and gas wells. To the extent those accounts and/or reserves exist and were funded, Defendants should be using those funds to plug and abandon such wells. To the extent, however, that these accounts and/or reserves were not funded, not sufficiently funded, or not used for this purpose, then this further contributes to the public nuisance alleged herein.

155. Defendants, by their affirmative acts and omissions, have created, caused, contributed to, and assisted in creating environmental harms, human health risks, noxious odors, and diminishment of property value, as alleged throughout the Complaint, constituting a public nuisance under California law. These harms are indecent and offensive to the senses, and obstruct the free use of property, so as to interfere with the comfortable enjoyment of property.

156. The harms that Defendants created, caused, contributed to, and assisted in the creation of are present in Los Angeles County and threaten the County's environment, wildlife, natural resources, and communities, and therefore affect a considerable number of County residents.

157. An ordinary person would be reasonably annoyed or disturbed by these harms.

158. The harms caused by Defendants' nuisance-creating conduct are grave and far outweigh the social utility of that conduct.

159. The harms that Defendants created, caused, contributed to, and assisted in the creation of, continue to harm the County and its residents to the present day, and will continue to harm the County and its residents many years into the future.

160. The People, the County, and County residents did not consent to Defendants' conduct.

161. Defendants' misconduct was a substantial factor in bringing about the continuing public nuisance.

162. As a direct and proximate result of Defendants' acts and omissions, the People and the County have sustained and will sustain injuries to public safety and welfare, the loss of use and enjoyment of natural resources, and obstruction to the free use of public property.

163. Defendants' acts and omissions have caused or threaten to cause injuries to people, properties, and natural resources in the County that are indivisible.

164. Pursuant to California Code of Civil Procedure section 731, the People request an order providing for abatement of the public nuisance that Defendants created or assisted in creating, and enjoining Defendants from future violations of California Civil Code sections 3479 and 3480.

SECOND CAUSE OF ACTION

Violations of California Civil Code §§ 3479 and 3480
By The County Against All Defendants

(Public Nuisance)

165. The County realleges and incorporates by reference the allegations in each of the above paragraphs as though fully set forth herein.

166. This cause of action is brought pursuant to California Code of Civil Procedure section 731 by the County to enjoin or abate the public nuisance created by the Defendants in Los Angeles County, and to recover damages therefor.

167. The County brings this cause of action to recover for the harms that the Defendants have caused to the County's property and its tax revenue, in addition to seeking abatement of the public nuisance.

168. As described above, Defendants created, caused, contributed to, and assisted in creating the public nuisance alleged herein.

169. The County has suffered harm from this public nuisance that differs from the type of harm suffered by the general public. The County owns property, including parcels adjacent to or in the immediate vicinity of the IOF, that has been injuriously affected by that public nuisance. This County-owned property has been subjected to environmental harms and the risk of such harm, to diminishment in the value of the property, and to interference with the use and enjoyment of the property.

170. In addition, as a result of the public nuisance created by the Defendants, the County has lost and will continue to lose property tax revenue. Defendants' actions have caused a reduction of property value for many properties in the County; as a result, the taxable value of properties near the IOF are lower than they would be had Defendants properly decommissioned their exhausted wells. Due to those lower taxable values, the County has suffered and will continue to suffer a reduction in tax revenue.

171. An ordinary person would be reasonably annoyed or disturbed by these harms.

172. These harms caused by Defendants' nuisance-creating conduct are grave and far outweigh the social utility of that conduct.

173. Defendants' misconduct was a substantial factor in bringing about these harms to County property and the County, which are the direct and proximate results of Defendants' acts and omissions.

174. Pursuant to California Code of Civil Procedure § 731, the County seeks recovery of damages from, and requests an order providing for abatement of and enjoining, the public nuisance that Defendants created or assisted in creating.

THIRD CAUSE OF ACTION

Violations of California Business and Professions Code § 17200
By The People Against Defendant Sentinel

(Unfair Competition)

175. The People reallege and incorporate by reference the allegations in each of the above paragraphs as though fully set forth herein.

176. The UCL prohibits any "unlawful, unfair or fraudulent business act or practice." Cal. Bus. & Prof. Code § 17200.

177. Defendant Sentinel is a "person" as defined by Cal. Bus. & Prof. Code § 17201, which includes "natural persons, corporations, firms, partnerships, joint stock companies, associations and other organizations of persons."

178. Defendant Sentinel is named in this Cause of Action for its activities that occurred within four years of the filing of this action.

179. It is the public policy of the State of California that exhausted wells be properly decommissioned to reduce the harms, or risk of harm, posed by those wells. The State legislature has recognized that wells that are not properly decommissioned can threaten life, health, and natural resources.[154] The CSD underscores the importance of this policy in the IOF, in particular,

[154] Cal. Pub. Res. Code § 3250.

in requiring that all facilities in the IOF be decommissioned within one year, once the facilities have reached the end of their useful economic lives.[155]

180. Defendant Sentinel engaged in and continues to engage in unlawful and unfair business acts or practices as defined in the UCL. These acts or practices include, but are not limited to, the following:

A. Creating or assisting in the creation of a public nuisance in violation of California Civil Code sections 3479 and 3480;

B. Violating or assisting in violations of the CSD and other provisions of the Los Angeles County Code, including the failure to "ensure[] that oil field operations are conducted in a safe manner and are compatible with the surrounding uses,"[156] the failure to "at all times conduct oil operations to prevent the unauthorized release, escape, or emission of dangerous, hazardous, harmful and/or noxious gases, vapors, odors, or substances"[157] and the failure to "properly decommission[] and remove[] from the oil field" "[a]ll facilities that have reached the end of their useful economic life" "within one year."[158]

C. Unfairly avoiding its statutory, regulatory, and common law obligations to decommission exhausted wells in the IOF.

181. As a result of the foregoing acts and practices, Defendant Sentinel has received, or will receive, income, profits, and other benefits, which it would not have received if they had not engaged in the violations of the UCL described in this Complaint, including the expenditures saved by avoiding its obligations to decommission exhausted wells in the IOF. These practices are also unfair business practices that violate Section 17200 because they offend established public policy, and because the harm they cause to the People greatly outweighs any benefits associated with those practices.

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[155] L.A. Cnty. Cal. Code § 22.310.050.U.1.
[156] Verified Pet. for Writ of Mandate & Compl. ¶ 22, *Sentinel Peak Res. Cal. LLC v. State*, No. 24 STCV 31066 (Cal. Super. Ct. L.A. Cnty. Dec. 4, 2024).
[157] L.A. Cnty. Cal. Code § 22.310.050.B.
[158] *Id.* § 22.310.050.U.1.

182. Defendant Sentinel's business practices are "unlawful" in violation of the UCL, because they constitute violations of California Civil Code sections 3479 and 3480 and the CSD.

183. Defendant Sentinel's business practices are "unfair" in violation of the UCL, because they offend established public policy, and because the harm caused by those practices outweighs any benefits associated therewith.

184. The People, by and through County Counsel, therefore, are entitled to an injunctive order requiring Defendant Sentinel to cease the unfair and deceptive business practices alleged herein and to pay restitution to all victims of such acts or practices.

185. The People further seek an appropriate civil penalty under Cal. Bus. & Prof. Code § 17206(a) of up to $2,500 for each violation of the UCL, consistent with the purpose of the UCL and Cal. Bus. & Prof. Code § 17206(b), to hold Sentinel accountable for its unfair and deceptive business practices alleged herein and to deter further violations of the UCL.

186. The People further seek an additional appropriate civil penalty under Cal. Bus. & Prof. Code § 17206.1(a)(1) of up to $2,500 for each violation of the UCL perpetrated against a senior citizen or disabled person.

FOURTH CAUSE OF ACTION

Unjust Enrichment
By The County Against All Defendants

187. The County realleges and incorporates by reference the allegations in each of the above paragraphs as though fully set forth herein.

188. Defendants received benefits by not plugging and decommissioning exhausted oil and gas wells.

189. Instead of spending the resources needed to properly decommission these wells, Defendants have intentionally ignored and failed to decommission exhausted oil and gas wells. Defendants Chevron, Plains Resources, and FMOG then transferred exhausted oil and gas wells in

IOF to successor operators. Defendant Sentinel, as the current operator of the IOF, has likewise ignored and failed to decommission exhausted wells, and continues to do so.

190. Because Defendants have ignored their obligations, they have saved hundreds of millions of dollars in well-closure costs.

191. Instead of fulfilling their obligations, Defendants have been able to invest this money in other money-making endeavors, generating more profits.

192. By avoiding the costs of closing their exhausted wells and investing this money in other parts of their businesses these Defendants have been unjustly enriched.

193. Some of the profits that Defendants made from failing to decommission exhausted wells correspond with the losses suffered by Plaintiff Los Angeles County. County-owned property near the IOF has become less valuable because of its proximity to the unplugged exhausted wells. Similarly, because of the emissions and threats of emissions from exhausted wells, the public's use of County parks and recreation areas near the IOF has been affected, further directly affecting the County and its property.

194. Additionally, Defendants' failure to plug and properly decommission exhausted wells has directly undermined the County's tax base, resulting in a direct and significant impact on the County's tax receipts and budget. As discussed above, the County levies a 1% property tax on all private property within the County. The County assesses property values regularly, for example when homes are sold. Home values are depressed when they are nearby unplugged but exhausted oil wells. By choosing not to spend the money to plug and properly decommission their exhausted wells, Defendants have therefore directly depressed the value of homes and property in the areas around the IOF. And, as a result, the County has lost and continues to lose tax revenue.

195. Some of Defendants' unjust profits, however, do not directly correspond with losses suffered by the County. Defendants' profits come at the expense of all those who live, work, worship, recreate, and travel near the IOF.

196. While the damages to the County are calculable, Defendants' profits are more certain and swiftly calculable. Because the harms to the County and the people who live in the area are less fixed than Defendants' profits from failing to plug and properly decommission their exhausted wells, requiring Defendants to disgorge these unjust profits is the only adequate remedy.

197. As a result, the County is entitled to disgorgement of the benefits Defendants have unjustly retained as a result of failing to decommission exhausted wells, in an amount to be proven at trial.

VI. PRAYER FOR RELIEF

198. The Plaintiffs pray for the following relief:

A. Declare that Defendants have created a public nuisance in violation of California Civil Code sections 3479 and 3480;

B. Declare that Defendant Sentinel violated the UCL;

C. Enjoin Defendants from performing any further acts in violation of California Civil Code sections 3479 and 3480;

D. Enjoin Sentinel from the use or employment of unfair and deceptive business practices alleged herein under the authority of Cal. Bus. & Prof. Code § 17203 as alleged herein;

E. Order Defendants to abate the public nuisance that they created in violation of California Civil Code sections 3479 and 3480;

F. Order Defendants to pay damages to the County for the public nuisance that they created in violation of California Civil Code sections 3479 and 3480;

G. Order Sentinel to pay restitution of the money acquired by means of its unfair and deceptive business practices alleged herein, pursuant to Cal. Bus. & Prof. Code § 17203;

H. Order Sentinel to pay a civil penalty of up to $2,500 for each violation of the UCL, pursuant to Cal. Bus. & Prof. Code § 17206;

I. Declare that Defendants have been unjustly enriched;

J. Order Defendants to disgorge the profits resulting from their unjust enrichment to Plaintiff County of Los Angeles;

K. Order Defendants to pay Plaintiffs' attorneys' fees and costs of this case; and

L. Provide such further and additional relief as the Court deems proper.

DATED: December 10, 2025

Respectfully submitted,

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