

Date of Hearing: April 6, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 1661 (Bryan) – As Introduced January 29, 2026

SUBJECT: Oil and gas: low-production wells: Baldwin Hills Conservancy: Equitable Community Repair and Reinvestment Account

SUMMARY: Expands the uses for the Equitable Community Repair and Reinvestment Account (Account) and requires direct cash assistance to be made available to families living near the Inglewood Oil Field (IOF) in Los Angeles (LA) County.

EXISTING LAW, pursuant to Public Resources Code 3206.1.5:

- 1) Prohibits, on and after March 1, 2026, an oil well located in a county of the first class (defined as a county with a population > 4 million, which currently only applies to LA County) in an oil field that is adjacent to a state recreation area or state park and is located, in whole or in part, within the boundary of the Baldwin Hills Conservancy, from being a low-production well, as defined, for more than 12 months.
- 2) Requires the State Oil and Gas Supervisor (supervisor), to charge an administrative penalty of \$10,000 per month to a low-production well owner in violation of the time limit on low-production well status until the low-production well is plugged and abandoned. Requires penalties to be remitted annually on a schedule determined by the supervisor.
- 3) Requires all funds collected to be deposited into the Account.
- 4) Requires funds from the Account to be available, upon appropriation by the Legislature, to the Department of Conservation (DOC) for allocation to a county of the first class for the following:
 - a) Park creation or expansion and maintenance of new outdoor amenities in park-poor neighborhoods;
 - b) Urban greening;
 - c) Affordable housing needed to accommodate community needs;
 - d) Climate mitigation and resilience; or,
 - e) Community benefit projects with environmental cobenefits.
- 5) Caps the Account from accruing more than \$20 million.

THIS BILL:

- 1) Requires DOC, upon appropriation by the Legislature and subject to the terms of the appropriation, to distribute the \$5 million deposited into the Account to LA County to

disburse in direct cash assistance to families living within 2 ½ miles of the identified low-production oil wells who have children with respiratory health conditions.

- 2) Prohibits funds from being distributed for the projects in (a)-(e) listed above from receiving funding until the \$5 million in direct cash assistance has been distributed first.

FISCAL EFFECT: Unknown

COMMENTS:

1) **Author's statement:**

Communities living next to active oil fields continue to experience disproportionately high rates of respiratory illness. Families in these neighborhoods are routinely exposed to harmful air pollutants, as well as chronic noise and vibration associated with oil drilling operations. AB 1661 ensures that the first \$5 million deposited into the Equitable Community Repair and Reinvestment Account, established under AB 2716, will be given as direct cash assistance to families living within 2.5 miles of the Inglewood Oil Field who have a child with a respiratory health condition. This targeted support recognizes the immense harm these communities have endured and provides environmental reparations for families who continue to experience the health impacts of neighborhood oil drilling.

- 2) **Inglewood Oil Field.** The IOF, located in LA County adjacent to a state recreation area and state park, and is within the Baldwin Hills. Since oil was discovered in 1924, 1,600 oil wells have been drilled in the IOF. Today, the oil field's boundary covers approximately 1,000 acres, making it one of the largest contiguous urban oil fields in the United States. The last well drilled in the IOF was in June of 2014; there currently are no plans for new wells.

According to Sentinel Peak Resources, LLC (Sentinel), owner of the IOF, production at the field has averaged between 2.5 – 3.1 million barrels a year for the past ten years. According to Sentinel data, of the wells in the IOF, 414 oil wells are active; 162 are idle.

Under a settlement agreement with Culver City and Sentinel, Sentinel must plug and abandon a minimum of 15 wells by December 31, 2027, at a rate of a minimum of three wells per calendar year over the five-year period between 2023-2027. Sentinel must plug and abandon all remaining wells and complete the overall closure of the IOF by December 31, 2029. An extension may be conditionally authorized under special circumstances, but not to extend beyond December 31, 2032. Culver City has acknowledged support for the redevelopment of the IOF to transition to certain compatible land uses.

Last December, LA County filed a lawsuit against Sentinel for failing to plug and abandon 227 idle or exhausted wells in the IOF. State law defines a well as "idle" if it has not produced oil or natural gas for 24 consecutive months. The County's lawsuit uses the term "exhausted wells" more conservatively than "low-production," defining "exhausted" as those that yield an average of two barrels of oil or less daily.

The lawsuit is part of LA County's larger effort to phase out oil drilling. A 2022 LA City Council ordinance to phase out all oil drilling in LA over 20 years and ban new wells was successfully challenged and blocked in 2024.

- 3) **Low-production wells.** Low-production oil and gas wells are defined as producing fewer than 15 barrels of oil a day (BOE/D) during any 12-month consecutive time period, or a natural gas well whose maximum daily average gas production does not exceed 60 thousand cubic feet of gas (Mcf), per day, during any 12-month consecutive time period. Low-production wells can be reworked to drill deeper for more oil, or reworked for enhanced oil recovery, like hydraulic fracturing, many active wells may be nearing the end of their productive lifespans and sit on the cusp of needing to be plugged.

DOC data also show that approximately 80% of the state's active wells are low-production. While low-production wells can be reworked or injection wells added to the field or reworked to help boost oil and gas production, the expense of these efforts would be weighed against potential revenue from future production. Many of the state's active oil and gas wells may be nearing the end of their economic productivity, particularly in view of the state's goals to achieve carbon neutrality by 2045 that includes phasing out fossil fuels and requiring all new cars to be zero-emission by 2035.

AB 2716 (Bryan), Chapter 549, Statutes of 2024, prohibits the operation of low-production oil and gas wells located in the IOF and imposes a \$10,000 per month penalty upon these wells if they remain in low-production for more than 12 months until they are plugged and abandoned. All penalty revenue is deposited into the Account to fund projects, such as park creation and affordable housing, to benefit the nearby community.

Based on the timelines in AB 2716, the soonest a penalty could be assessed for a violation would be April 2027; therefore, there are currently no funds in the Account.

- 4) **Direct cash assistance.** The IOF is surrounded by residential areas, schools, and homes and, according to the LA Times, more than one million people live within 5 miles of the IOF. Residents living near oil fields have long reported adverse health effects such as respiratory, reproductive and cardiovascular issues. In the LA area, many of these risks disproportionately affect low-income communities and communities of color.

This bill requires DOC, upon appropriation by the Legislature and subject to the terms of the appropriation, to distribute the first \$5 million deposited into the Account to LA County for direct cash assistance to families living within 2¹/₂ miles of the identified low-production wells whose children have respiratory health conditions and can verify their residence to LA County.

The state does have a precedent for direct cash assistance to residents. For example, under the state's climate policy framework, most residential utility customers automatically receive a California Climate Credit – a direct rebate applied to their electricity and natural gas bills. Every resident with a qualifying utility account receives it without application, income test, or special eligibility requirements. Also, in 2021-22, the state issued stimulus payments (~\$600-\$1,200) to millions of residents as part of COVID relief efforts. These cash payments, however, required tax filing or income criteria, so they were not purely universal unconditional payments.

The cash assistance under this bill would be provided without discrimination or substantiation of a claim (i.e. no proof is required to demonstrate health concerns). The advantages of this approach include low application burden, low fraud risk due to limited qualification criteria (geography only), and provision of direct support to the most impacted communities without discriminating against competing claims (no proof of harm required). Because the funds will be dispensed on a first-come, first-served basis, a drawback of this approach is potentially providing cash assistance to those who may not need it over those who do.

The author may wish to consider working with LA County to amend the bill to require LA County to distribute direct cash assistance in an equal amount to each verified family to the extent funds are available, and consider requiring applicants requesting direct cash assistance to verify their residence through utility bills or other relevant records.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Paige Brokaw / NAT. RES. /