



poor birth outcomes, asthma, and reduced lung function. Hazardous air pollutants that are known to be emitted from oil and gas development sites include benzene, toluene, ethylbenzene, xylenes, hexane and formaldehyde – many of which are known, probable, or possible carcinogens and/or teratogens and which have other adverse health effects. This scientific effort informed the establishment of health protection zones of a radius of 3,200 feet around oil and gas wells to protect designated sensitive receptors, such as schools. Drilling new wells and the re-working of existing wells is prohibited in health protection zones with limited exception.

### ***Phase-out of oil production in the Inglewood Oil Field***

Under a settlement agreement between Culver City and Sentinel Peak Resources, LLC (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 a five year period between 2023 – 2027. Sentinel must plug and abandon all remaining wells and complete the overall closure of the Inglewood Oil Field by December 31, 2029. An extension may be conditionally authorized under special circumstances, but is limited to up to December 31, 2032, only. Culver City has acknowledged support for the redevelopment of the Inglewood Oil Field to transition to compatible land uses.

AB 2716 (Bryan, Chapter 549, Statutes of 2024) prohibits the operation of low-production wells (producing fewer than 15 barrels per day during any 12 consecutive month period or an equivalent amount of natural gas) in the Inglewood Oil Field and imposes a \$10,000 per month penalty upon those 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 Equitable Community Repair and Reinvestment Account (Account) to fund projects, such as park creation and affordable housing, to benefit the nearby community.

The last new well drilled in the Inglewood Oil Field was in June 2014. According to CalGEM, over the last 10 years as much as 2 million barrels of oil were produced from the Inglewood Oil Field annually, although more recently annual production is in the range of 1.2 – 1.3 million barrels of oil. There are 641 active wells (419 oil and gas and 222 active water injection wells) and 182 idle wells. Almost all of the idle wells are Sentinel's, although 8 are owned by other operators. In 2025, Sentinel applied for 12 plug-and-abandon Notices of Intention (NOIs), and 2 re-work NOIs for the Inglewood Oil Field. There are no current plans to dig additional wells.

### ***Existing law:***

- 1) Establishes CalGEM. The State Oil and Gas Supervisor (supervisor) leads CalGEM.
- 2) Directs the supervisor to so supervise the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production, as specified, so as to prevent, as far as possible, damage to life, health, property, and natural resources, as provided. (Public Resources Code (PRC) §3106)
- 3) Prohibits, on or after March 1, 2026, an oil well located in a county of the first class (defined as a county with a population of more than 4 million, which currently only applies to Los Angeles 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.

- a) Requires the 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.
- b) Requires all funds collected to be deposited in the Equitable Community Repair and Reinvestment Account.
- c) Requires funds from the Account to be available, upon appropriation by the Legislature, to the Department of Conservation for allocation to a county of the first class (Los Angeles County) for the following:
  - i) Park creation or explanation and maintenance of new outdoor amenities in park-poor neighborhoods.
  - ii) Urban greening.
  - iii) Affordable housing needed to accommodate community needs.
  - iv) Climate mitigation and resilience. or
  - v) Community benefit projects with environmental cobenefits.
- d) Caps the Account from accruing more than \$20 million. (PRC §3206.1.5)

## **PROPOSED LAW**

This bill would:

- 1) Require the funds from the Account to be available, upon appropriation, to the Department of Conservation for allocation to a county of the first class.
- 2) Require the Department of Conservation, upon appropriation and subject to the terms of the appropriation, distribute the first \$5 million deposited in the Account, after accounting for funds appropriated for the county's administrative costs, to the county to disburse in direct cash assistance to individuals living within 2-1/2 miles of the identified low production oil or gas wells in the Inglewood Oil Field who request direct cash assistance, have respiratory or reproductive health impacts, and meet the residency requirement, as provided.
  - a) Require the county to require an individual requesting direct cash assistance to verify their residence through various means including voter registration and utility billing records, among others.
  - b) Require the county to establish a process to verify that any individual has respiratory or reproductive health impacts, including via self-attestation.

- c) Require the application process for direct cash assistance to be noninvasive, simple, and standardized.
- 3) Require the Department of Conservation, subject to an appropriation from the Account for administrative purposes, distribute to the county for the county to expend for administrative purposes an amount that does not exceed 10% of the amount appropriated for programmatic purposes (e.g. up to \$500,000 if the \$5 million is appropriated). Require the source of this appropriation to be the initial money deposited into the Account.
- 4) Require the county to distribute direct cash assistance to the extent funds are available in an equal amount to each verified program participant.
- 5) Directly authorize Los Angeles County, instead of requiring the Department of Conservation to make an allocation to the county, upon appropriation and subject to the terms of the appropriation, to contract with entities within its jurisdiction including cities and nonprofit organizations, among others, to use funds for certain projects within 2-1/2 miles of the identified low-production oil or gas wells in the Inglewood Oil Field provided that no funds will be disbursed for these projects until the first \$5 million has been distributed per (2) above.
- 6) Provide that reimbursement to local agencies and school districts is required if the Commission on State Mandates determines there are state-mandated costs, and make minor, technical changes.

### ARGUMENTS IN SUPPORT

According to the author, "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."

### ARGUMENTS IN OPPOSITION

None received

### COMMENTS

***No funds have yet been distributed as penalties from identified low-production oil or gas wells in the Inglewood Oil Field.*** Due to the timelines in AB 2716, no penalties for violations would be possible prior to April 2027. Therefore, the Account has no moneys in it.

***Direct payments.*** The state has some precedents for direct cash assistance to residents. 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 automatically. The direct cash assistance provided by this bill will be on a first-come, first-served basis, although this means that funds may not be available for those most in need.

As the bill moves forward and the author continues to refine the direct cash assistance program, the Committee may wish to direct staff to continue working with the author's office as needed.

***Los Angeles area phase-out of oil production.*** In December 2025, Los Angeles County filed a lawsuit against Sentinel for failing to plug and abandon 227 idle<sup>3</sup> or exhausted wells in the Inglewood oil field. In filing the lawsuit, the County relied on the term “exhausted” well to mean those that yield on average of two barrels per day or less. This lawsuit is part of a larger effort by the county to phase out oil drilling within its boundaries. A 2022 LA City Council ordinance to phase out all oil drilling in Los Angeles over 20 years and ban new wells was successfully challenged and blocked in 2024.

***Recent related legislation***

AB 2716 (Bryan, Chapter 549, Statutes of 2024) prohibits the operation of low-production wells (producing fewer than 15 barrels per day during any 12 consecutive month period or an equivalent amount of natural gas) in the Inglewood Oil Field and imposes a \$10,000 per month penalty upon those wells if they remain in low-production for more than 12 months prior to being 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.

**SUGGESTED AMENDMENTS: none**

**SUPPORT**

Black Women for Wellness (co-sponsor)  
 Strategic Concepts in Organizing and Policy Education (SCOPE) (co-sponsor)  
 350 Bay Area Action  
 350 Conejo/ San Fernando Valley  
 350 South Bay Los Angeles  
 Access Reproductive  
 All Things Bayview  
 Alliance of Nurses for Healthy Environments  
 APEN Action  
 Asian Pacific Islander Forward Movement  
 California Environmental Voters  
 Consumer Watchdog  
 Esperanza Community Housing  
 Extinction Rebellion Los Angeles  
 Food & Water Watch  
 Greenpeace USA  
 Holman United Methodist Church  
 Long Beach Alliance for Clean Energy

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<sup>3</sup> An idle well is one that has not produced oil or gas for 24 consecutive months. (PRC §3008)

Los Angeles Neighborhood Land Trust  
National Association for the Advancement of Colored People (NAACP) California-  
Hawaii State Conference  
Parents Against Santa Susana Field Lab  
Physicians for Social Responsibility LA  
Protect Playa Now  
Redeemer Community Partnership  
San Francisco Bay Physicians for Social Responsibility  
Sierra Club  
Sierra Club Clean Break  
South Asian Network  
South Coast Air Quality Management District  
STAND-LA  
Sunflower Alliance  
Valley Improvement Project  
West Berkeley Alliance for Clean Air and Safe Jobs

**OPPOSITION**

None received

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