SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1661 (Bryan) - Oil and gas: low-production wells: Baldwin Hills Conservancy: Equitable Community Repair and Reinvestment Account: health impacts

Version: June 15, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: N.R. & W. 5 - 2
Mandate: Yes
Consultant: Ashley Ames

Bill Summary: This bill would expand the uses of the Equitable Community Repair and Reinvestment Account (Account) and require direct cash assistance to be made available to certain families living within 2-1/2 miles of the identified low production oil or gas wells located in the Inglewood Oil Field in Los Angeles County, as provided.

Fiscal Impact:

- The Department of Conservation (DOC) estimates ongoing costs of $477,000 in the first year and $441,000 annually thereafter (Oil, Gas, and Geothermal Administrative Fund [OGGAF]) to develop program guidelines, including defining criteria for fund eligibility, provide support to the county in form of answering questions and provide policy guidance in relation to fund use, and audit the county's compliance in following the developed guidelines.
- By requiring a set-aside for direct cash assistance from the Account, this bill would create a one-time cost pressure of $5 million on the Account, the General Fund, or some other potential funding source to the extent there is insufficient funding for all eligible families or DOC is unable to allocate this funding to other authorized project categories, such as park creation or expansion and maintenance of new outdoor amenities in park-poor neighborhoods, urban greening, affordable housing needed to accommodate community needs, climate mitigation and resilience, and community benefit projects with environmental cobenefits.
- To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs, which could have a General Fund impact. By requiring the county to establish processes for individuals to verify that they meet the residency and health-impact requirements, this bill would imposing new duties on the County of Los Angeles. The bill would require DOC, subject to an appropriation, to distribute to the county for administrative purposes an amount that does not exceed 10% of the programmatic appropriation.

Background:

Oil in California. California remains a significant oil and gas producer, ranking 8th among the 50 states for oil production and 15th for marketed natural gas according to the U.S. Energy Information Administration. Exploration and production began in the 1800s. Output reached roughly 105 million barrels in 2025 and continues its decline from the 1985 peak. Many California fields have operated for decades or longer and now depend on expensive enhanced recovery techniques such as steam injection to keep producing. Many wells also sit within or near urban areas.

The Inglewood Oil Field. Located in the Baldwin Hills in Los Angeles County next to a state recreation area and a state park, the Inglewood Oil Field has seen 1,600 wells drilled since oil was discovered there in 1924. At roughly 1,000 acres today, it ranks among the largest contiguous urban oil fields in the country. Residential neighborhoods, schools, and homes surround the field, and the Los Angeles Times reports that more than a million people live within five miles of it. Residents near oil fields have long described respiratory, reproductive, and cardiovascular health problems, and in the Los Angeles area these burdens fall disproportionately on low-income communities and communities of color.

Wells impacting communities. The California Oil and Gas Public Health Rulemaking Scientific Advisory Panel, which advises the DOC's Geologic Energy Management Division (CalGEM) — the state's oil and gas well regulator — has found that living close to oil and gas development produces significant adverse health effects, including poor birth outcomes, asthma, and diminished lung function. Hazardous air pollutants known to come from these sites include benzene, toluene, ethylbenzene, xylenes, hexane, and formaldehyde, many of which are known, probable, or possible carcinogens or teratogens with additional harmful effects. That body of science supported the creation of health protection zones extending 3,200 feet around oil and gas wells to shield designated sensitive receptors such as schools. Within those zones, drilling new wells and reworking existing ones is prohibited, subject to narrow exceptions.

Phase-out of oil production in the Inglewood Oil Field. A settlement agreement between Culver City and Sentinel Peak Resources, LLC (Sentinel) requires Sentinel to plug and abandon at least 15 wells by December 31, 2027, at a minimum pace of three wells per calendar year across the 2023–2027 period. Sentinel must plug and abandon all remaining wells and complete closure of the field by December 31, 2029, though a conditional extension may be granted under special circumstances for no longer than December 31, 2032. Culver City has expressed support for redeveloping the field for compatible land uses.

AB 2716 (Bryan, Chapter 549, Statutes of 2024) bars operation of low-production wells in the Inglewood Oil Field — those yielding fewer than 15 barrels per day over any 12 consecutive months, or an equivalent volume of natural gas — and imposes a $10,000 monthly penalty on wells that stay in low production beyond 12 months until they are plugged and abandoned. Penalty revenue goes to the Equitable Community Repair and Reinvestment Account, which funds community benefit projects such as parks and affordable housing.

The field's most recent new well was drilled in June 2014. CalGEM reports that annual production over the past decade reached as much as 2 million barrels, though recent years have run closer to 1.2–1.3 million barrels. The field currently has 641 active wells — 419 oil and gas wells and 222 water injection wells — along with 182 idle wells, nearly all of them Sentinel's, with 8 belonging to other operators. During 2025 Sentinel filed 12 plug-and-abandon Notices of Intention and 2 rework NOIs for the field. No additional wells are planned.

Proposed Law: Existing law also provides that, beginning March 1, 2026, an oil well cannot remain a low-production well for more than 12 months if it sits in a county of the first class — meaning a county of more than 4 million people, currently only Los Angeles County — in an oil field adjacent to a state recreation area or state park and located at least partly within the Baldwin Hills Conservancy boundary. The supervisor must charge the owner of a violating well a $10,000 monthly administrative penalty until the well is plugged and abandoned, with penalties remitted annually on a schedule the supervisor sets. Collected funds go into the Equitable Community Repair and Reinvestment Account and, upon appropriation, are available to DOC for allocation to Los Angeles County for park creation or expansion and maintenance of new outdoor amenities in park-poor neighborhoods, urban greening, affordable housing to meet community needs, climate mitigation and resilience, or community benefit projects with environmental cobenefits. The Account may not accrue more than $20 million (PRC §3206.1.5).

This bill would:

1. Require the funds from the Account to be available, upon appropriation, to the DOC for allocation to a county of the first class.
2. Require the DOC, 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 DOC, 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 DOC 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.

Related Legislation:

AB 2716 (Bryan, Chapter 549, Statutes of 2024) prohibits the operation of low-production wells (producing fewer than15 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.

Staff 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.

-- END --