
Chapter 5f:

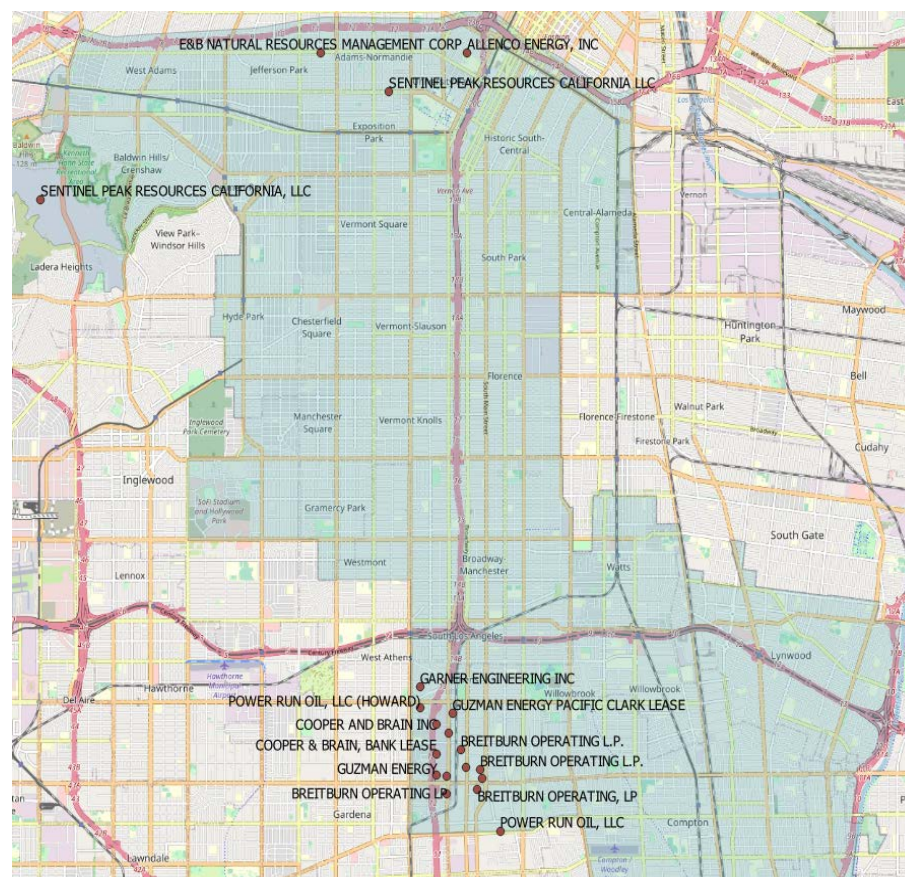
Oil and Gas Industry

Chapter 5f: Oil and Gas Industry

Community Concerns

During the Community Steering Committee (CSC) meetings, the co-leads helped lead discussions to identify air quality concerns and actions for the Community Emissions Reduction Plan (CERP). The South Los Angeles (SLA) CSC expressed concerns about emissions resulting from oil and gas operations conducted at drill sites and oil wells. In particular, the CSC expressed concerns about potential adverse health impacts associated with the proximity of these sites to residential areas. Based on the South Coast Air Quality Management District (South Coast AQMD) permitting database, there are 19 oil and gas facilities with active South Coast AQMD permits (**Figure 5f-1**). South Coast AQMD utilizes multiple methods to classify facility types including the North American Industrial Classification Codes (NAICS), a key data source for information in this CERP. South Coast AQMD inspection teams use a broader category, Technical Specialty Code (TS-Code),¹ to categorize a facility, which does not detail industry type. Please refer to Appendix 4: Enforcement Overview and History for information on which inspection team conducts the inspection for each facility, which is directly tied to the TS-Code. The CSC identified four oil and gas facilities (i.e., Jefferson, Murphy, AllenCo Energy, Inc., and Inglewood Oil Field) where they believe there is limited transparency of monitoring data and enforcement activity findings, such as

Figure 5f-1: Oil and Gas Facilities in SLA



¹ TS-Code refers to the internal code South Coast AQMD inspectors use to determine the appropriate inspection team. Please refer to Appendix 4: Enforcement Overview and History for more information on South Coast AQMD inspection teams.

Notices of Violations (NOVs). One CSC member states that most community inquiries are relegated to Public Records Request, which is not considered transparency. Community residents also expressed concerns about the lack of noticing and reporting for acidizing injection wells and all the chemicals used onsite which are regulated by Senate Bill 4.²

Regulatory Background

The oil and gas industry has existed in Southern California for over a hundred years. This industry, which includes oil wells, oil drilling, pipeline transfer stations, and oil and gas production fields, has hundreds of facilities that are subject to requirements set forth by city agencies, local air districts, and state agencies (e.g., California Air Resources Board (CARB) and the California Geologic Energy Management Division (CalGEM)).

South Coast AQMD has specific regulations for oil wells, including Rules 1148.1³ and 1148.2,⁴ and other rules that reduce emissions of volatile organic compounds (VOCs)^{5,6} from oil and gas operations; please refer to Appendix 5f: Oil and Gas Industry for an overview of these rules. CARB has also adopted an Oil and Gas Regulation⁷ to reduce methane emissions from oil and gas production, processing, and storage. Other agencies with authority over oil and gas production have been directed to draft rules or ordinances to regulate oil and gas production operations to address public health impacts. In 2019, CalGEM was directed by Governor Gavin Newsom to develop a public health rule to update public health and safety protections for communities near oil and gas production operations.⁸ In 2020, the Los Angeles County Department of Regional Planning began developing an oil well ordinance to update permit requirements and development operating standards for existing and new oil wells and accessory facilities in unincorporated Los Angeles County.⁹ In 2022, the Los Angeles City Council passed a motion to recommend mayoral approval to require an ordinance be developed to prohibit new oil and gas extraction, make extraction activities a nonconforming use in all zones, ensure plugging and abandonment of wells,

² California Legislative Information, Senate Bill No. 4, https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB4

³ South Coast AQMD, Rule 1148.1 – Oil and Gas Production Wells, <http://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1148-1.pdf>

⁴ South Coast AQMD, Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers, <http://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1148-2.pdf>

⁵ South Coast AQMD, Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, <http://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1173.pdf>

⁶ South Coast AQMD, Rule 1176 – VOC Emissions from Wastewater Systems, <http://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1176.pdf>

⁷ CARB, Oil and Gas Regulation, <https://www.arb.ca.gov/regact/2016/oilandgas2016/oilandgas2016.htm>

⁸ CalGEM, Public Health Rulemaking, <https://www.conservation.ca.gov/calgem/Pages/Public-Health.aspx>

⁹ Los Angeles County Department of Regional Planning, Oil Well Ordinance, <https://planning.lacounty.gov/oilwell>

and conduct comprehensive site remediation.¹⁰ For additional details regarding regulatory efforts for the oil and gas industry, please refer to Appendix 5f.

Actions to Reduce Emissions or Exposure

During development of this CERP, the CSC expressed a desire to prioritize air measurements at specific oil drilling sites and identify areas of concern to conduct inspections in conjunction with CARB. CSC members requested transparency with monitoring and enforcement data, including periodic summaries of inspection findings including enforcement actions taken and referrals made to appropriate agencies if findings are outside South Coast AQMD's authority. The CSC has requested that regulatory agencies accept data provided by community-based organizations into their findings when conducting enforcement actions. In addition to monitoring and enforcement, the CSC requested that the current applicability of the Rule 1148 series be assessed to include reducing emissions from on-site diesel engines, banning chemical odorants at drill sites, and removing exemptions for injection wells.

During CERP development, the CSC requested the following goals for oil and gas facilities in SLA.

- A. Identify locations of concern, characterize emissions, and identify potential elevated emissions through air measurement surveys around oil drilling sites.
- B. Determine which oil well sites and activities may require additional monitoring.
- C. Make referrals from oil and gas inspections to appropriate agencies to ensure these facilities follow rules and regulations from other agencies, in particular those related to land-use, public health, and abandoned wells.
- D. Inform the CSC of enforcement findings and enforcement actions taken at oil and gas facilities, in particular those related to odors and fugitive emissions.
- E. Reduce emissions and exposure to oil and gas operations through rule amendments to Rules 1148.1 and 1148.2.
- F. Support community scientists with conducting community air monitoring and understanding data.
- G. Inform the CSC of enforcement findings, specifically related to CARB regulations.
- H. Inform the community of other agencies' authority and their new or ongoing projects (e.g., future regulations or ordinances) related to the oil and gas industry.

¹⁰ Los Angeles City, Council File 17-0447, <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=17-0447>

The CSC developed the following CERP actions to address community concerns regarding the eight CERP goals. **Table 5f-1** below summarizes goals, actions, metrics, and provides a timeline to achieve emission or exposure reductions from the oil and gas industry in SLA.

Table 5f-1: Actions to Reduce Emissions from and Exposure to Oil and Gas Industry

Goal	Actions	Responsible Entity(ies)	Metrics	Timeline	
				Start	Complete
A: Air Measurement Surveys	<ul style="list-style-type: none"> • Prioritize locations for community air monitoring • Conduct air measurement surveys near and around oil drilling sites to identify and characterize any potential emissions • Provide periodic summaries of monitoring results to the CSC • Provide outreach on the online tools (e.g., dashboards) available to the public to access monitoring data 	South Coast AQMD	<ul style="list-style-type: none"> • Provide list of prioritized locations for monitoring • Number of air measurement surveys • Number of monitoring updates to the CSC • Number of outreach actions completed to provide information regarding online tools and available data 	2 nd quarter, 2022	4 th quarter, 2026
B: Monitoring	Collaborate with appropriate agencies and the CSC to determine if additional air monitoring is needed during specific well activities or under certain conditions	South Coast AQMD	<ul style="list-style-type: none"> • Number of meetings with appropriate agencies • Conduct air measurements during specific well activities, if necessary 	2 nd quarter, 2022	1 st quarter, 2025

Goal	Actions	Responsible Entity(ies)	Metrics	Timeline	
				Start	Complete
C: Agency Referrals	Collaborate with appropriate agencies by reporting issues that fall outside of South Coast AQMD’s jurisdiction during inspection sweeps at oil and gas facilities (e.g., local land-use agencies, CalGEM, and public health departments)	South Coast AQMD CARB	Number of updates regarding referrals or follow-up information presented by the appropriate agency(ies) to the CSC	2 nd quarter, 2022	2 nd quarter, 2027
D: Enforcement Updates	Provide periodic summaries of findings from enforcement activities, such as whether odors or emissions were confirmed or verified with complainants and at a specific site or source and any enforcement action taken	South Coast AQMD	Number of enforcement updates to the CSC, including confirmation of complaints and enforcement action taken, if applicable	3 rd quarter, 2022	2 nd quarter, 2027
E: Rule Amendment Feasibility	Initiate process to amend Rules 1148.1 and 1148.2 to consider including: <ul style="list-style-type: none"> • Requirements for injection wells • Notification of workover rig operations • Explore feasibility of additional notifications for active acid work and chemicals used on site (e.g., odorants, chemicals for drilling activities) 	South Coast AQMD	<ul style="list-style-type: none"> • Number of Rule Working Group meetings held, if necessary • Update to CSC on rule development efforts 	2 nd quarter, 2022	2 nd quarter, 2027

Goal	Actions	Responsible Entity(ies)	Metrics	Timeline	
				Start	Complete
	<ul style="list-style-type: none"> Explore limiting or eliminating use of odorants and chemicals used onsite (e.g., acid work) Notification of modifications to any previously noticed work Explore requirements for improved leak detection and repair (LDAR) 				
F: Support Community Scientists	Identify opportunities to support community scientists to conduct community air monitoring	South Coast AQMD	Number of collaboration activities with the community scientists	2 nd quarter, 2023	2 nd quarter, 2027
G: CARB Regulations	CARB to collaborate with South Coast AQMD to conduct inspections of all CSC-identified oil and gas facilities of concern regarding CARB and South Coast AQMD rules (including Portable Equipment Registration Program (PERP), ¹¹ mobile source regulations, and Oil and Gas Regulation ¹²)	CARB South Coast AQMD	<ul style="list-style-type: none"> Number of facilities inspected Number of updates regarding findings 	3 rd quarter, 2022	2 nd quarter, 2027
H: Other Governmental Agency Projects	Identify opportunities for other agencies to provide information on: <ul style="list-style-type: none"> Authority (e.g., oil well status), 	South Coast AQMD CARB	Number of presentations presented by the appropriate agency(ies) to the CSC	3 rd quarter, 2022	2 nd quarter, 2027

¹¹ CARB, Portable Equipment Registration Program (PERP), <https://ww2.arb.ca.gov/our-work/programs/portable-equipment-registration-program-perp>

¹² CARB, Oil and Gas Regulation, <https://ww2.arb.ca.gov/resources/documents/oil-and-gas-regulation>

Goal	Actions	Responsible Entity(ies)	Metrics	Timeline	
				Start	Complete
	<ul style="list-style-type: none"> Existing and proposed rules and regulations (e.g., prohibitions for new oil wells, oil drilling phase out), and Programs (e.g., CalGEM drone surveillance) 				