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# CHAPTER 5F:

## OIL AND GAS INDUSTRY

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### 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 has expressed concerns due to potential adverse health impacts associated with the proximity of these sites to residential areas. The CSC also identified three oil and gas facilities (i.e., Jefferson, Murphy, and AllenCo Energy Inc) where they believe there is limited transparency of monitoring data and enforcement activity findings, such as Notices of Violations (NOVs). 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.<sup>1</sup>

### 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 the Rule 1148.1,<sup>2</sup> Rule 1148.2,<sup>3</sup> and other rules that reduce emissions of volatile organic compounds (VOCs)<sup>4,5</sup> from oil and gas operations. CARB has also adopted an Oil and Gas Regulation<sup>6</sup> 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

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<sup>1</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201320140SB4](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB4)

<sup>2</sup> 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>

<sup>3</sup> 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>

<sup>4</sup> 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>

<sup>5</sup> South Coast AQMD, Rule 1176 – VOC Emissions from Wastewater Systems, <http://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1176.pdf>

<sup>6</sup> CARB, Oil and Gas Regulation, <https://www.arb.ca.gov/regact/2016/oilandgas2016/oilandgas2016.htm>

protections for communities near oil and gas production operations.<sup>7</sup> 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.<sup>8</sup> 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, and conduct comprehensive site remediation.<sup>9</sup>

### 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.

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 potential rule amendments to Rules 1148.1 and 1148.2.
- F. Support citizen scientists to conduct community air monitoring.
- G. Inform the community about the F.I.N.D. tool and how to file air quality complaints.

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<sup>7</sup> CalGEM Public Health Rulemaking, <https://www.conservation.ca.gov/calgem/Pages/Public-Health.aspx>

<sup>8</sup> Los Angeles County Department of Regional Planning, Draft Oil Well Ordinance, <https://planning.lacounty.gov/oilwell>

<sup>9</sup> Los Angeles City Council File 17-0447, <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=17-0447>

- H. Inform the CSC of enforcement findings, specifically related to CARB regulations.
- I. 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.

The CSC developed the following CERP actions to address community concerns regarding the nine 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
<b>A: Air Measurement Surveys</b>	<ul style="list-style-type: none"> <li>• Prioritize locations for community air monitoring</li> <li>• Conduct air measurement surveys around oil drilling sites to identify and characterize any potential emissions</li> </ul>	South Coast AQMD	<ul style="list-style-type: none"> <li>• Provide list of prioritized locations for monitoring</li> <li>• Number of air measurement surveys</li> </ul>	2 <sup>nd</sup> quarter, 2022	4 <sup>th</sup> quarter, 2026
<b>B: Monitoring</b>	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"> <li>• Number of meetings with appropriate agencies</li> <li>• Conduct air measurements during specific well activities, if necessary</li> </ul>	2 <sup>nd</sup> quarter, 2022	1 <sup>st</sup> quarter, 2025

<b>C: Agency Referrals</b>	Refer oil and gas facilities to appropriate agencies when issues are found during inspections that fall outside of South Coast AQMD’s jurisdiction (e.g., local land-use agencies, CalGEM, and public health departments)	South Coast AQMD	Number of updates from appropriate agencies regarding referrals or follow-up information to the CSC	2 <sup>nd</sup> quarter, 2022	2 <sup>nd</sup> quarter, 2027
<b>D: Enforcement Updates</b>	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	3 <sup>rd</sup> quarter, 2022	2 <sup>nd</sup> quarter, 2027
<b>E: Rule Amendment Feasibility</b>	<p>Explore expanding Rule 1148.1 and 1148.2 to include</p> <ul style="list-style-type: none"> <li>• Acid work at injection wells</li> <li>• Notification of workover rig operations</li> <li>• Notification of and requirements for using odorants and chemicals used onsite</li> <li>• Notification of modifications to any previously noticed work</li> </ul>	South Coast AQMD	<ul style="list-style-type: none"> <li>• Number of Rule Working Group meetings held, if necessary</li> <li>• Update to CSC on rule development efforts</li> </ul>	2 <sup>nd</sup> quarter, 2022	2 <sup>nd</sup> quarter, 2027
<b>F: Support Citizen Scientists</b>	Identify opportunities to support citizen scientists to conduct community air monitoring	South Coast AQMD	Number of activities with the citizen scientists to collaborate	2 <sup>nd</sup> quarter, 2023	2 <sup>nd</sup> quarter, 2027

<p><b>G: F.I.N.D. Tool and Filing Complaints</b></p>	<p>Conduct community outreach on F.I.N.D. tool including training on how to use the F.I.N.D. tool to search for information about South Coast AQMD-regulated oil and gas facilities (e.g., facility details, equipment, permits, compliance history, etc.) and on filing air quality complaints by phone, web, or mobile application to the community</p>	<p>South Coast AQMD</p>	<ul style="list-style-type: none"> <li>• Conduct one F.I.N.D. outreach session for the community</li> <li>• Create training materials for FIND to be published on the South Coast AQMD website</li> </ul>	<p>4<sup>th</sup> quarter, 2022</p>	<p>2<sup>nd</sup> quarter, 2027</p>
<p><b>H: CARB Regulations</b></p>	<p>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),<sup>10</sup> mobile source regulations, and Oil and Gas Regulation<sup>11</sup>)</p>	<p>CARB South Coast AQMD</p>	<ul style="list-style-type: none"> <li>• Number of facilities inspected</li> <li>• Number of updates regarding findings</li> </ul>	<p>3<sup>rd</sup> quarter, 2022</p>	<p>2<sup>nd</sup> quarter, 2027</p>
<p><b>I: Other Governmental Agency Projects</b></p>	<p>Identify opportunities for other agencies to provide information regarding their authority and projects (e.g., future regulations or ordinances) related to the oil and gas industry</p>	<p>South Coast AQMD</p>	<p>Number of presentations from other agencies to the CSC</p>	<p>3<sup>rd</sup> quarter, 2022</p>	<p>2<sup>nd</sup> quarter, 2027</p>

<sup>10</sup> CARB, Portable Equipment Registration Program, <https://ww2.arb.ca.gov/our-work/programs/portable-equipment-registration-program-perp>

<sup>11</sup> CARB, Oil and Gas Regulation, <https://ww2.arb.ca.gov/resources/documents/oil-and-gas-regulation>