

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, current law places regulatory authority over drilling, operation, maintenance, and abandonment of oil and gas wells, and the operation, maintenance and removal or abandonment of tanks and facilities related to oil and gas production with the Division of Oil, Gas, and Geothermal Resources (DOGGR) in the State Department of Conservation; and

WHEREAS, current law requires the State Oil and Gas Supervisor (Supervisor) to supervise the above to prevent damage to life, health, property, and natural resources; and

WHEREAS, current law authorizes the Supervisor to order certain operations, such as decommissioning and abandonment, to be carried out on any well the Supervisor has deemed to be hazardous or idle-deserted; and

WHEREAS, current law establishes the "Hazardous and Idle-Deserted Well Abatement Fund," funded by fees collected from the operators of idle wells, for the purpose of mitigating a hazardous or potentially hazardous condition at an idle-deserted well; and

WHEREAS, DOGGR is currently authorized to spend no more than \$1 million annually for that purpose; and

WHEREAS, in October 2016, the City of Los Angeles, in cooperation with local, county, and state regulators, permanently sealed two oil wells located in the front yards or two residences on Firmin Street in Echo Park that were deserted by irresponsible operators and were sealed after it was discovered the wells were seeping small amounts of gas; and

WHEREAS, the Firmin Street wells are part of the Los Angeles City Oil Field, which was drilled in the early 1900s and DOGGR estimates there are 900 orphan wells located in the City of Los Angeles, most of which are buried and roughly 20,000 are located across the state; and

WHEREAS, the interagency effort to remediate the two Firmin Street wells cost in excess of \$1 million, expending DOGGR's full annual state-wide budget for the mitigation of hazardous conditions created by deserted and orphan wells; and

WHEREAS, currently pending in the State Legislature is SB 724 (Lara) which would revise DOGGR's processes related to addressing hazardous and deserted wells and associated production facilities; and

WHEREAS, SB 724 would temporarily increase the maximum annual fiscal expenditure to \$3 million for the plugging and abandonment of hazardous or idle-deserted wells, and the decommissioning of hazardous or deserted facilities, beginning in fiscal year 2017-2018; and

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WHEREAS, SB 724 would require DOGGR to develop criteria for determining the priority for the plugging and abandonment of hazardous or idle-deserted wells and the decommissioning of hazardous or deserted facilities; and

WHEREAS, SB 724 would require DOGGR to consult with local agencies in developing recommendations to the Legislature for improving and optimizing the involvement of local agencies in the plugging and abandonment of wells and the decommissioning of facilities, and require DOGGR to report to the Legislature with a cost estimate and time schedule for the plugging and abandonment of hazardous and idle-deserted wells and the decommissioning of hazardous or deserted facilities;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2017-18 State Legislative Program SUPPORT for SB 724 (Lara) which will significantly modify the Division of Oil, Gas, and Geothermal Resources' processes for addressing hazardous or idle-deserted wells and hazardous or deserted facilities.

PRESENTED BY: Gilbert Cedillo
GILBERT CEDILLO
Councilmember, 1st District

SECONDED BY: [Signature]

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