

Item 1

Oil and Gas Health Report (CF-17-0447) Frequently Asked Questions

What is a "Setback"?

A setback is a required physical surface separation between a building or a structure.

What is a "Sensitive Receptor"?

South Coast Air Quality Management District (SCAQMD): Sensitive receptor means any residence including private homes, condominiums, apartments, and living quarters; education resources such as preschools and kindergarten through grade twelve (k-12) schools; daycare centers; and health care facilities such as hospitals or retirement and nursing homes. A sensitive receptor includes long term care hospitals, hospices, prisons, and dormitories or similar live-in housing.

The California Air Resources Board (CARB): Sensitive receptors are children, elderly, asthmatics and others who are at a heightened risk of negative health outcomes due to exposure to air pollution.

The Environmental Protection Agency (EPA): Sensitive receptors include, but are not limited to, hospitals, schools, daycare facilities, elderly housing and convalescent facilities. These are areas where the occupants are more susceptible to the adverse effects of exposure to toxic chemicals, pesticides, and other pollutants. Extra care must be taken when dealing with contaminants and pollutants in close proximity to areas recognized as sensitive receptors.

How big is the report?

4 Page Cover Memo + 163 Page Report + 149 Appendices of 61,759 pages (6,698 without EIRs and 55,061 pages of EIRs) = a total of 61,926 pages

What distances were analyzed?

- 500-Foot Setback = Height of LA City Hall
- 1,500-Foot Setback = Five (5) football fields
- 2,500-Foot Setback = One Half (1/2) Mile

What is the current LA City Setback?

Los Angeles Municipal Code 91.6105, "Separation from an oil well:

- No school, hospital, sanitarium or assembly occupancy shall be with 200 feet from the center of the oil well casing.
- No public utility fuel manufacturing or public utility, electrical generating, receiving or distribution plant shall be located within 200 feet from the center of an oil well casing.

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- No building more than 400 square feet in area and taller than 36 feet in height shall be erected within 50 feet from the center of an oil well casing.”

How much Oil does LA produce?

- 7,600 – 8,000 BBL/day (2017)
- 2.5 Million BBL/year are produced in Los Angeles (2017)

How does that compare to Texas?

- Texas produced approx. 4.4 million BBL/day (2018)
- Texas produced approx. 1.6 billion BBL/year (2018)

In a single day Texas produces nearly twice as much oil as LA produces all year.

How much oil is left?

Approximately 1.6 billion barrels of recoverable crude oil exist within the City of LA.

How much revenue does LA make from oil?

In 2017 the City of Los Angeles identified \$390,000 from oil and gas royalty revenue.

How much oil does California and the LA area import?

- CA imported 364 million BBL/ year (2018)
- The Ports of Los Angeles and Long Beach imported 125 million BBL/year (2017)

*Los Angeles and Long Beach import nearly 1/3 of all the crude oil imported to the state.

How many jobs does oil support?

There are approximately 31,000 direct and indirect oil related jobs in LA County. The City of Los Angeles ranges from 575 – 1,221 jobs related to oil and gas operations.

What would it cost to leave it in the ground?

Potential Fiscal Impact to the City to implementation a setback distance:

- Current Oil Production - \$148 million
- Future Oil Value - \$97.6 billion
- Land Value - \$100 million
- Well Abandonment Costs - \$321 million
- Environmental Clean Up Costs - \$150 million
- Litigation Expenses - \$1 million per year

The estimated potential cost to the City of establishing an existing setback distance is **\$724 million** and a future setback distance could be as high as **\$97.6 billion** in compensation for the value of mineral rights owed from a takings litigation.