



DATE: April 5, 2018

TO: Timothy Stapleton, Senior Regional Planner, County of Los Angeles

FROM: Rock Zierman, CEO, California Independent Petroleum Association

RE: Los Angeles County Department of Public Health's Report on Public Health and Safety Risks of Oil and Gas Facilities in Los Angeles County

As Los Angeles Basin oil and gas producers, we fully understand the public has questions surrounding our operations. People want to know that their natural resources are being produced safely and that our government agencies take their regulatory responsibilities seriously. We also fully understand that natural resources are foundational to our economy, our national security, and our way of life. Nowhere do these two drivers – safe, responsible production alongside growing public demand – express themselves more fully than in Los Angeles. Oil production facilities in operation for more than a century are now surrounded by dense urban development and that neighboring community expects operational excellence. Operators desire the community to be informed and reasonable in its expectations. We can achieve both.

As you review the DPH Report, we urge you to also consider the decades of research and studies conducted by regulatory agencies throughout the State of California, as well as other academic researchers. That body of work speaks to the safety of oil and natural gas production under California's leading environmental standards.

As-written, the DPH Report's conclusions and recommendations lack grounding in scientific research. Specifically, the DPH Report:

- Lacks objective scientific data from LA County operations to support its own conclusions and recommendations,
- Relies on other jurisdictions outside of California when making recommendations or claims,
- Uses weak and unsubstantiated science,
- Uses misleading language,
- Ignores DPH's own data and previous studies,
- Recommends new regulations without addressing and enforcing current regulations in place, and
- Fails to recommend leveraging existing statewide funds and programs that would provide an inclusive urban air monitoring study in the summer of 2018.

Before policymakers adopt changes that will disrupt the local economy without actually improving public health, we would urge you to base your decisions on science. Here are some key data points to consider:



DPH Report lacks objective scientific data from LA County operations to support its own conclusions and recommendations.

- The report repeatedly acknowledges that studies have not shown a causal relationship between oil and gas facilities in LA County and adverse health effects.
- The report then dismisses the lack of a causal relationship with LA County operations, claiming “limitations of epidemiological studies,” “predicted effects,” “limited associations” and “lack of data.” Rather than asking the State to collect further data through the Study of Neighborhood Air Near Petroleum Sources (SNAPS) program, the report then recommends imposing significant new requirements on urban oil and gas operations. In doing so, the report ignores that its own LA County Oil and Gas Strike Team inspections of dozens of operations did not find safety or operational issues such as those observed at AllenCo and Firmin Street near downtown Los Angeles.
- The report implies criticism of Long Beach, Signal Hill and other cities with 300-foot setbacks, without noting their decades of direct operation and close oversight of oil and gas fields.
- As continuous examples and reports have shown, all aspects of LA County oil and gas operations are highly regulated. Therefore, mentioning “chemicals” is misleading as there is no context given to quantities or concentrations used, the equipment in which they are used, and the regulatory limits imposed on their use. The County’s own Fire Department oversees industrial chemical usage, including that associated with our operations.
- Unlike the Strike Team report, the DPH report did not include technically qualified or licensed experts on oil and gas well drilling, well stimulation or petroleum production. The list of report authors does not include any California-licensed engineers or geologists, or experienced petroleum engineers.

When comparing LA County oil and gas production to other jurisdictions, DPH chose to focus on distant states with vastly different operations and ignore the experience of local governments like Long Beach, Signal Hill and Kern County, which already have rigorous regulatory oversight over the industry.

- DPH based its report primarily on a literature review and phone calls with jurisdictions outside California.
- DPH presented a summary of setback distances adopted by various jurisdictions around the country, like Colorado and Texas, but just showing the setback is misleading. DPH did not acknowledge or describe the substantial differences in both oil and gas operations and regulatory standards between those jurisdictions and LA County operations. For example, none of the out-of-state jurisdictions have the emission controls in place required in the South Coast AQMD, so those jurisdictions are not directly applicable to operations in LA County.



- The discussion of setback distances in conjunction with other mitigation measures suggests LA County is considering a multifaceted approach to new ordinances, but acknowledges that some aspects of production are under the jurisdiction of other agencies such as DOGGR.
- While there are always limitations to studies, DPH reported that the available epidemiology studies could not support a conclusion “whether or not living near oil and gas activities is associated with long term health impacts.”
- One study that was a part of the epidemiological review drew health impact conclusions from those living near development in the Amazon Basin, which doesn’t have the same access to quality healthcare or stringent regulations in place as LA County.
- Areas that don’t apply California’s leading safety, labor and environmental standards were referenced, and in fact given more weight by DPH than studies in California.
- These other areas like Colorado and Texas operate high-pressure gas wells unlike LA’s low-pressure oil wells, a significant and important difference.
- Most of these areas are generally rural, unlike the regulations already in place in urban drilling sites.
- Additionally, we were surprised to learn that DPH contacted the State of Maryland, which is not a major oil and gas producing state, and yet ignored the Cities of Long Beach and Signal Hill when inquiring about setbacks.

DPH excludes its own data and previous studies.

- The report never mentions DPH’s comprehensive 2011 Community Health Assessment of the Inglewood Field, which found the health of residents near the field to be similar to the health of residents throughout Los Angeles County.
- The Strike Team conducted an audit and inspection of 557 wells and 15 oil and gas facilities in Los Angeles County during 2017 and noted that health risks were considered low, however DPH largely ignored the Strike Team findings in its report and recommendations.

DPH recommends new regulations without addressing and enforcing current regulations in place.

- The report should have been more direct and candid about the extensive oversight already applied to oil and gas production in LA County.
- In Long Beach, for example, the City is the operator of the Wilmington Field, and 26 federal, state and local agencies oversee production from safety, drilling, facilities, chemical use and emissions control to emergency response.
- California regulators know more about local oil and gas operations than they do about almost any other type of facility or operation – whether private or governmental. In fact, in the report’s discussion of risks and chemicals, oil and gas operations are not exceptional. DPH could have substituted hospitals, universities, county and utility maintenance yards, water treatment and sanitation



facilities, airports, and bioscience, aerospace and manufacturing facilities for “oil and gas facilities” in the report and draw the same conclusions.

- These other facilities routinely use and store large quantities of chemicals that are potentially hazardous.
- Most of these facilities are regulated by fewer agencies than oil and gas facilities.
- Many of these are also closer to residences than oil and gas wells.

DPH did not leverage existing statewide funds to conduct an inclusive air monitoring study.

- The report references the California Air Resources Board’s community sampling program – called SNAPS or Study of Neighborhood Air Near Petroleum Sources. SNAPS is fully funded by taxes on industry like greenhouse gas allowances, and CARB is currently selecting statewide locations to sample this summer. We were surprised that DPH didn’t specifically request that CARB prioritize urban LA sites for air sampling, including the two case studies – AllenCo and Firmin Street – as well as Southern California’s largest open petroleum seep at the La Brea Tar Pits.
- Leveraging the State’s SNAPS program would be a quick way to:
 - Close data gaps identified by DPH in the next few months,
 - Reduce the speculative nature of the report’s comments on air quality and,
 - Identify what additional measures, if any, may actually be warranted to address emissions in the community, whatever the sources.
- We hope the County will constructively leverage the existing, fully-funded SNAPS program to answer questions posed by the DPH report and identify ways to improve air quality in urban areas, from whatever source, and use the SNAPS sampling data to prioritize verified emissions sources for additional review and mitigation.

The report closely evaluates and describes the Department’s concerns about two urban sites (AllenCo and Firmin Street) from 2013-2016, both of which were closed by regulatory agencies.

- Similar concerns were not found in the Strike Team’s inspections of hundreds of wells from other operators in 2017 by the Public Health, Regional Planning and Fire Departments.
- Even at AllenCo, DPH’s own investigation noted that about 46 percent of local residents were not even aware of their proximity to an oil production site, casting doubt on the level of disturbance from these operations. However, DPH’s report extrapolated the AllenCo and Firmin issues to all wells in urban residential areas County-wide.
- The County should focus on the dense urban sites where concerns have been raised, not try to cast a broad net over all wells across the County, and should expressly exclude oil and gas operations already closely regulated by cities like Long Beach and Signal Hill.



- Having the SNAPS results will help the County to prioritize resources and operations for further study, rather than applying a one-size-fits-all approach that the report seems to suggest and that runs counter to the Strike Team findings.

The report does not consider that the oil and gas operations, including the drilling of wells and construction of tanks and other facilities, preceded the building and of nearby structures.

- It is important to recognize that oil and gas wells and facilities did not move into the dense residential areas identified by the DPH, but rather housing was built around them as a result of land use decisions by the city.
- With the current regulations that are enforced and adhered to, the Strike Team concluded that “the risk levels were considered low for risks associated with hydrogen sulfide gas, operating pressure, and drilling frequency.

It is important to note that oil production has been part of the history of Los Angeles County for more than 100 years. The industry is regulated by more than 26 local, state and federal agencies, and operates under the strictest safety and environmental regulations in the world. Oil production continues to play an instrumental role in sustaining the region’s middle class, and generates more than \$1.8 billion for our local economy, including more than \$200 million in state and local taxes. That money is used on key public services including education and public health and safety.

Additionally, California produces only 28% of the oil and gas it consumes and imports the rest. New restrictions on oil and gas production in Los Angeles means California will need to tanker in more imported oil into its busy ports from foreign countries with abysmal human rights records and few environmental protections to support its energy demands.

On a final note, local oil and gas producers in LA County and City comply with extensive and stringent emission regulations enforced by the South Coast Air Quality Management District (SCAQMD). These regulations are specifically designed to protect public health and safety by controlling air emissions and odors for people living and working near production facilities. Given that these producers already abide by the already strictest environmental controls in the nation, the addition of these unnecessary further restrictive measures would most likely adversely impact their business and the local economy.

CIPA is committed to working with the city to bolster public understanding of our operations. CIPA represents the major oil producers with operations within the CITY/COUNTY including Sentinel Peak Resources, California Resources Corporation, E&B Natural Resources, Signal Hill Petroleum, Termo, Brea Canyon, Breitburn Energy, and Pacific Coast Energy Corporation.