Los Angeles County
Department of Regional Planning

Planning for the Challenges Ahead

Richard J. Bruckner
Director

September 19, 2012

Kenneth L. Kutcher
Harding Larmore Kutcher & Kozal, LLP
1250 Sixth Street, Suite 200
Santa Monica, CA 90401-1602

Dear Mr. Kutcher:

STATUS OF COMPLIANCE WITH TERMS OF SETTLEMENT AGREEMENT IN BALDWIN HILLS CSD LITIGATION

This is in response to your letter dated August 23, 2012, submitted on behalf of Community Health Councils and Natural Resources Defense Council regarding the above-referenced summary. Your comments are addressed below in the same order raised in your letter.

With respect to your comment on slant drilling, a drilling plan supplement for deep zone wells is only required if said deep zone wells are located within 800 feet of a "Sensitive Developed Area." None of the deep zone wells are within that buffer area, as reflected by the annual drilling plan that was submitted and approved. As such, no supplement was required.

Regarding your comments on the County's health study, the health assessment conducted complies with the Settlement Agreement. While the County Department of Public Health did recommend discontinuation of the assessment, the County will comply with the Settlement Agreement to conduct additional assessments every five to seven years throughout the life of the Community Standards District (CSD). Your comment about the Settlement Agreement's requirement that the County review other agencies reports as part of the health assessment specifically relates to "future" assessments, not this first one. All parties were apprised during the settlement discussions that said review would not be conducted in this initial assessment. Accordingly, no additional work or review will be done for this first assessment. Regarding your request that the methodology for future health assessments and area to be included should be "agreed upon by the CAP for the next health study", the County will not agree to such a limitation. The Settlement Agreement requires the County to "consult" with the CAP and the Health Working Group regarding the

assessment and will do so. The Department of Public Health has expertise in the area and will, after consulting with the CAP and the Health Working Group, determine the scope of the study.

A copy of the August 2012 PowerPoint presentation on the community health study is available on the Department of Regional Planning website on the Baldwin Hills oil field. (http://planning.lacounty.gov/baldwinhills/documents).

The lack of funding for the electrical distribution study is disappointing. Representatives of the County Department of Public Works met with representatives of Southern California Edison (SCE) and the Los Angeles City Department of Water and Power (DWP) in December 2011. At the meeting, both SCE and DWP indicated they could not provide financial assistance for the study, although they indicated that other support could be provided. The Department of Public Works also reviewed its budget to determine if it could provide additional funding for the study, but determined none was available. As you requested, copies of communications with SCE and DWP regarding the electrical distribution study will be provided.

Concerning your comments about well plugs required for abandoned wells, the County completed its review on August 22, 2012. There have been two abandoned wells since the approval of the Settlement Agreement and thus only two wells have been required to be capped with a 150-foot cement surface plug. The cap for both wells exceeded the 150-foot requirement.

With respect to the final phase of the landscaping plans, PXP anticipates submitting the final Phase 7 landscape plan in the second half of 2013. The County recently provided its second round of comments on the third, fourth, and fifth phases of the landscape plan. Corrections were minimal and thus the plans for those phases should be approved relatively soon. PXP anticipates beginning installation of the landscaping pursuant to those plans in the beginning of 2013.

The fraccing study was completed by the July 15, 2012 deadline and has been forwarded to the peer-reviewers, who are John Martin of JP Martin Energy Strategy, LLC partnered with Peter Muller. The County and PXP selected the peer reviewers prior to the study deadline. The fraccing study results will be presented by the study's author during PXP's annual community meeting on October 15, 2012, and we expect that at least one of the peer reviewers will also be present at the meeting to respond to questions.

Enclosed are copies of the guidance provided to departments responsible for implementing the CSD.

Sincerely,

Richard J. Bruckner
Director

RJB:JRG:RH:rk

Enclosures

c: Supervisor Mark Ridley-Thomas (Karly Katona)
County Counsel (Elaine Lemke)
Baldwin Hills Conservancy (David McNeill)
Community Advisory Panel (John Kuechle)
Community Health Councils (Lark Galloway-Gilliam)
Natural Resources Defense Council (Damon Nagami)
City of Culver City (Carol Schwab)
The City Project (Robert Garcia)
PXP (Steve Rusch)

HARDING LARMORE KUTCHER & KOZAL, LLP
ATTORNEYS AT LAW

WRITER'S DIRECT DIAL
(310) 451-3669

1250 SIXTH STREET, SUITE 200
SANTA MONICA, CALIFORNIA 90401-1602
TELEPHONE (310) 393-1007
FACSIMILE (310) 392-3537

WRITER'S E-MAIL ADDRESS
kutcher@hlkklaw.com

August 23, 2012

VIA EMAIL

Richard Bruckner, Director
Department of Regional Planning
320 West Temple Street, 13th Floor
Los Angeles, California 90012

Re: One Year Anniversary Summary
Our File No. 9065.2

Dear Mr. Bruckner:

This letter is submitted on behalf of Community Health Councils and Natural Resources Defense Council to comment on the one-year anniversary compliance report concerning the Settlement Agreement of the Baldwin Hills CSD litigation (*Community Health Councils, Inc. v. County of Los Angeles,* LASC Case No. BS118018, and consolidated cases).

I have reviewed the County's first annual summary of compliance that was enclosed with a letter from you dated July 25, 2012, to PXP Vice-President Steve Rusch. It is my understanding that pursuant to Paragraph 29 of the Settlement Agreement dated July 15, 2011, the Baldwin Hills Community Advisory Panel ("CAP") will be discussing this annual summary at its meeting later this evening.

We have a few comments and follow up suggestions, as set forth below. Similar to the County's compliance summary, the numbers provided below correspond to the numbered paragraphs of the controlling Settlement Agreement.

1. *Slant Drilling.* As to deep zone well drilling, the County's compliance summary indicates, "The 2012 [Annual Drilling Plan] contained four wells to be drilled in deep zones . . . The drilling of the deep zone wells is currently pending the release of the fraccing study." As you know, Paragraph 1(a) of the Settlement Agreement requires a Deep Zone Supplement to be prepared for drilling into the Nodular Shale and Sentous zones and any other zones approximately 8,000 feet or deeper. And Paragraph 1(d) requires such Drilling Plan Supplements to be promptly forwarded to the CAP for its review and comment. The compliance summary should be revised to reflect this requirement.

5. *Health Assessment and Environmental Justice Study.* While the County Department of Public Health has released a community health survey, that "study" has failed on many levels to meet the expectations and recommendations of the Health Working Group, which was effectively disbanded and excluded from the final decisions regarding the community health assessment's design and analysis. Many outstanding questions remain regarding the choice and consistency in the study area, as well as adjustment based on race and ethnicity. To no avail, Health Working Group members argued against the use and reliance upon the County's general health survey. And having structured the survey in the way of its own choosing, the County DPH has now concluded "the study design is not appropriate" to attribute increases in morbidity and mortality rates and on that basis is recommending discontinuation of the survey in future studies.

Furthermore, the Settlement Agreement calls for the review other agencies' reports regarding air quality, water quality and seismic data, where feasible, in future assessments. The County's sole reference to the air quality monitoring data is insufficient to satisfy this requirement. We recommend that a more comprehensive study examining the correlation between the data from the monitoring of oil production in the field and morbidity and mortality rates for a more clearly defined geographic area should be developed and agreed upon by the CAP for the next health study.

In addition, the County has not yet provided a copy of the August 2012 PowerPoint presentation on the community health study, and should do so.

7. *Electrical Distribution Study.* This lack of funding is disappointing news. We would like copies of all communications with SCE and DWP on this topic. If necessary, please consider this as a Public Records Act request for those communications. We are also interested in knowing what other funding options are being considered.

10. *Well Plugs.* It would be helpful to know the anticipated timetable for the County to complete its review of the well plug documentation. It would also be helpful to know how many wells have been plugged since execution of the Settlement Agreement.

11 *Landscaping.* It would be helpful to know the anticipated timetable for submittal of the final phase (Phase 7) of the landscaping plans.

13. *Fraccing Study.* At the time the annual review was written, the County found that required fraccing study was "expected to be completed by July 15, 2012, as required by the settlement agreement." That deadline has since passed. Was the study completed by PXP and has it since been forwarded to the County for peer review? Also, have the County and PXP selected the peer reviewer who will review the

study? If so, who was selected and what is the expected completion date for the peer review? We would like to stay informed of the progress of this work.

15. *CSD Provisions.* Please provide us with a copy of the written guidance that was circulated to the County staff and Departments pertaining to oil field operations and the Settlement Agreement requirements. If necessary, please consider this as a Public Records Act request for those communications.

Thank you for providing us with the opportunity to review and comment upon the annual review.

Very truly yours,

Kenneth L. Kutcher

KLK:snk

cc: Rena Kambara
Pat Hachiya
Karly Katona
David McNeill
John Kuechle
Lark Galloway-Gilliam
Damon Nagami
Carol Schwab
Robert Garcia

9065/Cor/Brucker.2001.KLK

Lopez, Glenda

From: Moser, Christopher [Christopher.Moser@ladwp.com]
Sent: Thursday, August 30, 2012 10:19 AM
To: Dunn, Steve
Subject: Inglewood Oil Field Study - DWP participation - UPDATE

Hi Steve,
I plan to have an internal meeting next week with representatives from the DWP Power System to discuss your feasibility study. I should have more information for you by the week of September 10.

Chris Moser
Supervisor Premier Accounts
Los Angeles Department of Water and Power
213.367.4940 Christopher.Moser@ladwp.com

Ask me about our current energy & water conservation rebate programs!

From: Moser, Christopher
Sent: Wednesday, August 22, 2012 10:19 AM
To: Dunn, Steve
Subject: RE: Inglewood Oil Field Study - DWP participation

Hi Steve,
We are still having internal discussion about your letter and how we plan to respond. I have made contact with people familiar with this feasibility study and they have been offering information on past decisions between LA County and DWP. I will update you as I receive more information.

Chris Moser
Supervisor Premier Accounts
Los Angeles Department of Water and Power
213.367.4940 Christopher.Moser@ladwp.com

Ask me about our current energy & water conservation rebate programs!

From: Dunn, Steve [mailto:SDUNN@dpw.lacounty.gov]
Sent: Thursday, August 16, 2012 4:36 PM
To: Moser, Christopher
Subject: RE: Inglewood Oil Field Study - DWP participation

Excellent Chris. Thank you.

From: Moser, Christopher [mailto:Christopher.Moser@ladwp.com]
Sent: Thursday, August 16, 2012 4:08 PM
To: Dunn, Steve
Subject: Re: Inglewood Oil Field Study - DWP participation

Hi Steve,
I received the letter last week and have been circulating it among DWP employees related to the project

and I am still awaiting a response from the group that could validate the DWP piece of your proposal. I should hear back by next week. I will contact you when I receive some more information.

Sent from my Blackberry.

From: Dunn, Steve [mailto:SDUNN@dpw.lacounty.gov]
Sent: Thursday, August 16, 2012 02:05 PM
To: Moser, Christopher
Subject: Inglewood Oil Field Study - DWP participation

Good afternoon Chris,

Thank you for your introduction a couple of weeks ago as the new Account Manager for the County of Los Angeles on behalf of DWP. I head the Utility Section for the County and met in December of last year with Heidi and many others from DWP, SCE, PXP and Supervisor Mark Ridley-Thomas' Office to discuss the subject study.

You should have received the attached letter below, but please let me know if you have not. If you have received it, ***can you please provide a rough timeline on when you think a response letter will be returned to the County?*** One of the key items necessary to be included in the written confirmation is DWP's funding position.

I look forward to meeting you in person, but in the meantime, please let me know if there is anything you would like me to look into from a utility perspective or if you have any questions.

Sincerely,
Steve Dunn
Utility Chief
County of Los Angeles Dept. of Public Works
(626) 458-3168

From: Nakhoul, Gus
Sent: Thursday, July 26, 2012 3:22 PM
To: 'Christopher.moser@ladwp.com'
Cc: Chenoweth, Daryll; Dunn, Steve; Aguilera, Manya
Subject: LA COUNTY Needs your personal mail, address contacts plus your official title

Hi Chris,

I was able to secure your cell phone number 213-792-8798 and your email through the City Bureau of Sanitation. Chris, I understand you're the main contact for LA-DWP with LA County on utility matters as of May 1, 2012 you have taken those duties from Ms. Heidi Bass.

The Utility Coordination Section with LA County Construction Division is in the process of preparing a memo to your office pertaining to Inglewood Oil Field in Baldwin Hills. We need your mailing contact information (i.e. address). To what DWP facility do we mail the aforementioned memo? What is your official title within your organization and if you have a direct phone contact and fax that you could provide us that would be greatly appreciated.

I just left you a voice mail on you cell phone requesting the above. Please feel free to call me if you have any question. Thanks

GUS NAKHOUL,PE

CONSTRUCTIon division
(626)458-3124
(626)979-5450 fax
Email:gnakhoul@DPW.LACOUNTY.GOV

----------Confidentiality Notice----------
This electronic message transmission contains information from the Los Angeles Department of Water and Power, which may be confidential. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the content of this information is prohibited. If you have received this communication in error, please notify us immediately by e-mail and delete the original message and any attachment without reading or saving in any manner.

----------Confidentiality Notice----------
This electronic message transmission contains information from the Los Angeles Department of Water and Power, which may be confidential. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the content of this information is prohibited. If you have received this communication in error, please notify us immediately by e-mail and delete the original message and any attachment without reading or saving in any manner.

Lopez, Glenda

From: Dunn, Steve [SDUNN@dpw.lacounty.gov]
Sent: Wednesday, August 22, 2012 2:59 PM
To: 'David.A.Ford@sce.com'
Subject: Inglewood Oil Field Study - SCE participation
Importance: High
Attachments: Inglewood Oil Field Study.pdf

Hello Dave,

Do you have a timeframe for when SCE will be sending the letter in response to the County's attached letter? A key item to be addressed in the written confirmation is SCE's position on the funding participation.

Please let me know if there are any questions.

Thank you, Steve

From: David.A.Ford@sce.com [mailto:David.A.Ford@sce.com]
Sent: Wednesday, August 01, 2012 7:50 AM
To: Dunn, Steve
Subject: Re: Inglewood Oil Field consolidation of electrical line study

Steve,

Thanks, I will start are external process and reviews on SCE's electrical system in the PXP property.

From: "Dunn, Steve" [SDUNN@dpw.lacounty.gov]
Sent: 08/01/2012 02:43 PM GMT
To: David Ford
Subject: Inglewood Oil Field consolidation of electrical line study

Good morning Dave,

As mentioned at the 1/4ly meeting, attached is the draft letter that will be sent to SCE. A similar letter will be sent to DWP as well. The purpose of the letters is to request confirmation from the two organizations on the assistance they will provide in the study and to have something on file for the settlement agreement.

Thank you

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

GAIL FARBER, Director

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
http://dpw.lacounty.gov

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE REFER TO FILE: C-1

July 31, 2012

Mr. David A. Ford
Local Public Affairs, Region Manager
Southern California Edison Company
1000 East Potrero Grande Drive
Monterey Park, CA 91755

Dear Mr. Ford:

INGLEWOOD OIL FIELD – BALDWIN HILLS
FEASIBILITY STUDY FOR REDUCING OVERHEAD BLIGHT

As a follow-up to our December 20, 2011 meeting, the County of Los Angeles (County) has identified an as-needed consultant to perform the feasibility study for reducing overhead blight. We are now in the process of identifying the necessary funding to retain the consultant.

As we finalize the funding sources and scope of work for the consultant, we need to confirm what can and cannot be provided by your organization. This will allow the County to plan accordingly and map out the most expeditious way forward. The information previously communicated by your organization indicated the following:

- Southern California Edison staff will provide as-built drawings and other related electrical system information such as specifications and technical reports.
- Southern California Edison staff will provide professional expertise to assist with the study.
- The study is not eligible for funding per California Public Utility Commission regulations.

CONSTRUCTION

Please provide written confirmation to be used in defining the tasks of our consultant. If you have any questions, please contact Mr. Steve Dunn at sdunn@dpw.lacounty.gov or (626) 458-3168.

Very truly yours,

GAIL FARBER
Director of Public Works

Ken Swanson

JAMES T. SPARKS
Assistant Deputy Director
Construction Division

SMD:ma
O:\Section\Utilities\SD2\Inglewood Oil Field Study SCE.docx

cc: Supervisor Mark Ridley-Thomas (Katona)
County Counsel (Lemke)
Southern California Edison Company (David G. Seeley II, Ben Wong)

bc: Land Development (Burger)

Lopez, Glenda

From: Dunn, Steve [SDUNN@dpw.lacounty.gov]
Sent: Thursday, August 16, 2012 2:06 PM
To: 'Christopher.moser@ladwp.com'
Subject: Inglewood Oil Field Study - DWP participation
Importance: High
Attachments: Inglewood Oil Field Study - DWP.PDF

Good afternoon Chris,

Thank you for your introduction a couple of weeks ago as the new Account Manager for the County of Los Angeles on behalf of DWP. I head the Utility Section for the County and met in December of last year with Heidi and many others from DWP, SCE, PXP and Supervisor Mark Ridley-Thomas' Office to discuss the subject study.

You should have received the attached letter below, but please let me know if you have not. If you have received it, ***can you please provide a rough timeline on when you think a response letter will be returned to the County?*** One of the key items necessary to be included in the written confirmation is DWP's funding position.

I look forward to meeting you in person, but in the meantime, please let me know if there is anything you would like me to look into from a utility perspective or if you have any questions.

Sincerely,
Steve Dunn
Utility Chief
County of Los Angeles Dept. of Public Works
(626) 458-3168

From: Nakhoul, Gus
Sent: Thursday, July 26, 2012 3:22 PM
To: 'Christopher.moser@ladwp.com'
Cc: Chenoweth, Daryll; Dunn, Steve; Aguilera, Manya
Subject: LA COUNTY Needs your personal mail, address contacts plus your official title

Hi Chris,

I was able to secure your cell phone number 213-792-8798 and your email through the City Bureau of Sanitation. Chris, I understand you're the main contact for LA-DWP with LA County on utility matters as of May 1, 2012 you have taken those duties from Ms. Heidi Bass.

The Utility Coordination Section with LA County Construction Division is in the process of preparing a memo to your office pertaining to Inglewood Oil Field in Baldwin Hills. We need your mailing contact information (i.e. address). To what DWP facility do we mail the aforementioned memo? What is your official title within your organization and if you have a direct phone contact and fax that you could provide us that would be greatly appreciated.

I just left you a voice mail on you cell phone requesting the above. Please feel free to call me if you have any question. Thanks

GUS NAKHOUL,PE
CONSTRUCTIon division
(626)458-3124
(626)979-5450 fax
Email:gnakhoul@DPW.LACOUNTY.GOV

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

GAIL FARBER, Director

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
http://dpw.lacounty.gov

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE REFER TO FILE: C-1

July 31, 2012

Mr. Christopher Moser
Supervisor, Premier Account Management
Commercial Services
Los Angeles Department of Water and Power
111 North Street, Room 1009
Los Angeles, CA 90012

Dear Mr. Moser:

INGLEWOOD OIL FIELD – BALDWIN HILLS
FEASIBILITY STUDY FOR REDUCING OVERHEAD BLIGHT

As a follow-up to our December 20, 2011 meeting, the County of Los Angeles (County) has identified an as-needed consultant to perform the feasibility study for reducing overhead blight. We are now in the process of identifying the necessary funding to retain the consultant.

In anticipation, this consultant is retained by the County for the study that we need to confirm what can and cannot be provided by your organization. This will allow the County to plan accordingly and map out the most expeditious way forward. The information previously communicated by your organization indicated the following:

- Los Angeles Department of Water and Power (LADWP) will provide as-built drawings and other related DWP electrical system information such as specifications and technical reports.
- LADWP will provide professional expertise to assist with the study.
- LADWP will require the County's consultant to prepare a written request specifying the extent of information needed.
- LADWP will require a nondisclosure agreement prior to the release of the aforementioned information and may be subject to a nominal fee.
- LADWP will not commit funding toward hiring a consultant to complete the study.

CONSTRUCTION

Please provide written confirmation to be used in defining the tasks of our consultant. If you have any questions, please contact Mr. Steve Dunn at sdunn@dpw.lacounty.gov or (626) 458-3168.

Very truly yours,

GAIL FARBER
Director of Public Works

Ken Swanson

JAMES T. SPARKS
Assistant Deputy Director
Construction Division

SMD:ma
O:\Section\Utilities\SD2\Inglewood Oil Field Study DWP.docx

cc: Supervisor Mark Ridley-Thomas (Katona)
County Counsel (Lemke)

bc: Land Development (Burger)

Lopez, Glenda

From: Bass, Heidi [Heidi.Bass@ladwp.com]
Sent: Wednesday, September 05, 2012 12:26 PM
To: Fujiwara, Thomas
Cc: Moser, Christopher; Gokey, James; Thornburg, Jeffrey; Dunn, Steve
Subject: RE: RE: Inglewood Oil field - Baldwin Hills Feasibility Study

Hi Tom,

I don't have a copy of a map—but here is the physical street boundaries and Thomas Book page. For exact coordinates, please contact Steve Dunn at SDUNN@dpw.lacounty.gov.

Mark Fleming or James Gokey might have a map of the area as I understand they provided drawings to LAC DPW on May 1, 2012.

Also, Chris Moser has taken over as LAC Account Manager and is the supervisor from Premier Account Management overseeing this project now.

Thanks,
Heidi

From: Dunn, Steve
Sent: Monday, October 17, 2011 2:01 PM
To: 'Bass, Heidi'
Cc: Waizenegger, Jack; LeeRay, Gloria
Subject: RE: Electrical Distribution Study - PXP Oil Field in Baldwin Hills

Heidi,

I understand the location is referred to as the Inglewood Oil Field and is located in the unincorporated County of Los Angeles Baldwin Hills area (TBG 673-A/4); northwest, northeast and southeast of the intersection of La Cienega Blvd and Stocker St.

To further the earlier emails and phone call, Supervisor Mark Ridley-Thomas has expressed interest in looking at ways to streamline some of the electrical distribution lines within the oil field.

Last July, a settlement agreement was executed with Plains Exploration and Production (PXP), the City of Culver City and community organizations related to the Community Standards District - the County's oversight mechanism for regulations of oil extraction and operations. Part of the settlement included a formal commitment that the County would propose to the Los Angeles Department of Water and Power and SCE that a cooperative study be conducted regarding opportunities to streamline and consolidate electrical lines distributed throughout the Oil Field.

Both PXP and the County are committed to funding one-fourth of the cost of such a study.

We would greatly appreciate it if DWP would be willing to work with the Supervisor's Office on this.

Please advise as to who would be the best contact to begin discussions related to developing a scope of work for such a study?

Thanks again, Steve.

Thanks,
Heidi L. Bass, MBA, CEM
Supervisor, Premier Account Management
213-367-2422
heidi.bass@ladwp.com

From: Fujiwara, Thomas
Sent: Wednesday, September 05, 2012 8:10 AM
To: Bass, Heidi
Subject: RE: Inglewood Oil field - Baldwin Hills Feasibility Study

Good morning Heidi,

Can you please send me a plan to show the boundaries requested for converting DWP's overhead 34.5-kv lines to underground on Baldwin Hills?
I need the distance for the cost estimate. Thanks.

Tom, 72664

----------Confidentiality Notice----------
This electronic message transmission contains information from the Los Angeles Department of Water and Power, which may be confidential. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the content of this information is prohibited. If you have received this communication in error, please notify us immediately by e-mail and delete the original message and any attachment without reading or saving in any manner.

Lopez, Glenda

From: Bass, Heidi [Heidi.Bass@ladwp.com]

Sent: Wednesday, April 25, 2012 6:39 PM

To: Dunn, Steve

Cc: Fleming, Mark; Hunter, Scott; Islam, Saif; Gokey, James; Walls, Dennis; Zabukovec, Vincent; Thornburg, Jeffrey; Farraj, Sager; Brown, Steve R.; Monroy, Rodolfo; Dennis, John; Ushijima, Carol; LeeRay, Gloria; Moser, Christopher

Subject: RE: Additional Info Needed - LAC DPW - PXP Oil Field Line Consolidation Study

Hi Steve,

Yes, we do have as-built drawings for Distribution lines crossing the PXP oil field. We are still checking on the status of as-built drawings for our Transmission lines crossing the PXP oil field.

LADWP Distribution Lines
LADWP maintains all pole records in its mainframe recordkeeping system. As built information from the original installation plans are kept in this system detailing approximate pole locations, the year set, pole height and tenants attached. Aside from the transmission lines, LADWP currently has two 34.5kV trunk line circuits traversing approximately 3000' of the oil field property.

The PXP/County consultant should prepare a written request specifying the extent of information needed to complete their study. The county and consultant should also note that a non-disclosure agreement will be needed prior to the release of distribution system records and may be subject to a nominal fee.

Direct any correspondence to:
Rodolfo J. Monroy
LADWP Power Distribution-Underground Conversions
111 N. Hope Street Room 851
Los Angeles, CA 90012

LADWP Transmission Lines
We are still researching whether or not we have as built drawings for the Transmission lines crossing PXP oil field. We believe we do.

The PXP/County consultant should prepare a written request specifying the extent of information needed to complete their study. The county and consultant should also note that a non-disclosure agreement will be needed prior to the release of distribution system records and may be subject to a nominal fee.

Direct any correspondence to:
Mark Fleming
Los Angeles Department of Water & Power
Overhead Transmission Engineering
111 N. Hope Street Room 1121
Los Angeles, CA 90012

Office: 213-367-2474
Cell: 213-792-8470
Fax: 213-367-2498

Please let me know if you need anything further from us.

Thanks,
Heidi L. Bass, MBA, CEM
Supervisor, Premier Account Management
213-367-2422
heidi.bass@ladwp.com

From: Bass, Heidi
Sent: Wednesday, April 25, 2012 1:43 PM
To: Dennis, John; Curci, Vincent
Cc: Ushijima, Carol; LeeRay, Gloria; Moser, Christopher; Fleming, Mark; Hunter, Scott; Islam, Saif; Gokey, James; Walls, Dennis; Monroy, Rodolfo
Subject: Re: Additional Info Needed - LAC DPW - PXP Oil Field Line Consolidation Study - 12/20 brief meeting summary

Hi John and Vince,

LAC Dept of Public Works and Board of Supervisors has requested LADWP/SCE assistance in a court-mandated study to consolidate and underground lines in the PXP oil field between Stocker and La Cienega.

We met with LAC Spvsr staff, LACDPW, SCE, and PXP a few month's back and all parties agreed the ballpark cost to underground/consolidate lines is a $250-$500M & not feasible as majority of the lines belong to PXP internal distribution lines spider-webbed across the field. Plus, it is not safe to underground lines in an active oil field due to pockets of gas.

However, the legal settlement with the neighborhood community group requires a 3rd party study.

LADWP stated we are not in a financial position to help fund the study but we would provide drawings and our professional expertise to assist with the study.

I hope this helps clarify this request.

Thanks,
Heidi L. Bass, MBA, CEM
Supervisor, Premier Account Management
213-367-2422
heidi.bass@ladwp.com

From: Bass, Heidi
Sent: Tuesday, April 24, 2012 3:42 PM
To: Hunter, Scott; Islam, Saif; Gokey, James; Walls, Dennis; Fleming, Mark; Monroy, Rodolfo
Cc: 'SDUNN@dpw.lacounty.gov'; Ushijima, Carol; LeeRay, Gloria; Moser, Christopher; Dennis, John
Subject: FW: Additional Info Needed - LAC DPW - PXP Oil Field Line Consolidation Study - 12/20 brief meeting

summary
Importance: High

Can one of you please provide an answer to Steve Dunn regarding as-built drawings for our transmission and distribution lines going through the PXP oil field?

Thanks,
Heidi L. Bass, MBA, CEM
Supervisor, Premier Account Management
213-367-2422
heidi.bass@ladwp.com

From: Dunn, Steve [mailto:SDUNN@dpw.lacounty.gov]
Sent: Tuesday, April 24, 2012 2:42 PM
To: Bass, Heidi; Dave.Seeley@sce.com
Subject: FW: LAC DPW - PXP Oil Field Line Consolidation Study - 12/20 brief meeting summary
Importance: High

Hello Heidi and Dave,

I have already asked Candace Salway (PXP) what percentage of the existing PXP electrical lines will PXP have as-built design drawings for.

For your two organizations, what percentage of your facilities would you have as-built design drawings for?

And if a third party consultant hired by the County to conduct the subject study needed such drawings/information for the study, how would the consultant obtain such information from your organizations?

Thank you, Steve.

From: Dunn, Steve
Sent: Wednesday, December 28, 2011 2:17 PM
To: 'Bass, Heidi'; 'Hunter, Scott'; 'Islam, Saif'; 'Gokey, James'; 'LeeRay, Gloria'; 'Walls, Dennis'; 'Nevarez, David'; 'Fleming, Mark'; 'Monroy, Rodolfo'; 'Salway, Candace'; 'Dave.Seeley@sce.com'; 'David.A.Ford@sce.com'
Cc: 'Katona, Karly'; 'Lemke, Elaine'
Subject: LAC DPW - PXP Oil Field Line Consolidation Study - 12/20 brief meeting summary

Good afternoon,

Please find attached a brief summary to last week's meeting and let me know if any edits are required. Additionally, please forward information on any companies/consultants that would perform the type of study we discussed.

Thank you again and Happy New Year, Steve.

From: Dunn, Steve
Sent: Tuesday, December 20, 2011 5:49 PM
To: 'Bass, Heidi'; Hunter, Scott; Islam, Saif; Gokey, James; LeeRay, Gloria; Walls, Dennis; Nevarez, David; Fleming, Mark; Monroy, Rodolfo; Salway, Candace; 'Dave.Seeley@sce.com'; 'David.A.Ford@sce.com'
Cc: 'Katona, Karly'

Subject: LAC DPW - PXP Oil Field Line Consolidation Study

Thank you all for taking time out of your busy schedules to meet at the last minute. Attached is the sign-in sheet for your record. I will follow-up shortly with a brief summary.

Happy Holidays, Steve

----------Confidentiality Notice----------
This electronic message transmission contains information from the Los Angeles Department of Water and Power, which may be confidential. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the content of this information is prohibited. If you have received this communication in error, please notify us immediately by e-mail and delete the original message and any attachment without reading or saving in any manner.

Lopez, Glenda

From: Dunn, Steve [SDUNN@dpw.lacounty.gov]
Sent: Wednesday, December 28, 2011 2:17 PM
To: 'Bass, Heidi'; 'Hunter, Scott'; 'Islam, Saif'; 'Gokey, James'; 'LeeRay, Gloria'; 'Walls, Dennis'; 'Nevarez, David'; 'Fleming, Mark'; 'Monroy, Rodolfo'; 'Salway, Candace'; 'Dave.Seeley@sce.com'; 'David.A.Ford@sce.com'
Cc: 'Katona, Karly'; Lemke, Elaine
Subject: LAC DPW - PXP Oil Field Line Consolidation Study - 12/20 brief meeting summary
Attachments: Inglewood Oil Field Meeting Summary 12-20-11.doc

Good afternoon,

Please find attached a brief summary to last week's meeting and let me know if any edits are required. Additionally, please forward information on any companies/consultants that would perform the type of study we discussed.

Thank you again and Happy New Year, Steve.

From: Dunn, Steve
Sent: Tuesday, December 20, 2011 5:49 PM
To: 'Bass, Heidi'; Hunter, Scott; Islam, Saif; Gokey, James; LeeRay, Gloria; Walls, Dennis; Nevarez, David; Fleming, Mark; Monroy, Rodolfo; Salway, Candace; 'Dave.Seeley@sce.com'; 'David.A.Ford@sce.com'
Cc: 'Katona, Karly'
Subject: LAC DPW - PXP Oil Field Line Consolidation Study

Thank you all for taking time out of your busy schedules to meet at the last minute. Attached is the sign-in sheet for your record. I will follow-up shortly with a brief summary.

Happy Holidays, Steve

INGLEWOOD OIL FIELD – STUDY TO STREAMLINE AND CONSOLIDATE ELECTRICAL LINES

DECEMBER 20, 2011 (3 PM)
COUNTY OF LOS ANGELES HALL OF ADMINISTRATION
ROOM 372
Brief Summary

- INTRODUCTIONS (SIGN-IN SHEET WAS EMAILED TO ATTENDEES)

- BRIEF OVERVIEW OF THE OIL FIELD SITE – CONSISTS OF THREE CATEGORIES OF ELECTRICAL LINES

  A. TRANSMISSION (DWP AND SCE)
  B. DISTRIBUTION (DWP AND SCE)
  C. FEEDER LINES (PXP) – TERM FOR THE GROWTH OF THESE LINES WAS "ORGANIC" RATHER THAN "PLANNED"

- THE SUPERVISOR'S GOAL IS TO BE ABLE TO REPORT TO THE COMMUNITY WITH SOLID INFORMATION ON WHAT CAN REALISTICALLY (FEASIBLY) BE DONE WITH THE SITE TO IMPROVE AESTHETICS, IF ANYTHING AT ALL. AS SUCH, A STUDY SHOULD BE PERFORMED TO COMPILE THIS INFORMATION.

- THE CONSENSUS OF THE MEETING WAS THAT A THIRD PARTY CONSULTANT SHOULD BE CONTRACTED WITH TO PREPARE THE STUDY. DPW WILL SOLICIT SCE AND DWP FOR POSSIBLE CONSULTANTS AS WELL AS INVESTIGATE THE COUNTY MASTER SERVICE AGREEMENT LIST FOR AS-NEEDED CONSULTANTS THAT COULD POSSIBLY PERFORM THE STUDY.

- OBJECTIVES AND THE SCOPE OF STUDY NEED TO BE IDENTIFIED FOR INCLUSION IN A RFP.

- ONE OF THE OBJECTIVES OF THE CONSULTANT WILL BE TO IDENTIFY MORE ACCURATELY UNDERGROUNDING COSTS – THE "ORDER OF MAGNITUDE".

- INITIAL PRELIMINARY COSTS TO UNDERGROUND LINES IS IN THE "TENS OF MILLIONS" AND PERHAPS "HUNDREDS OF MILLIONS" OF DOLLARS.

- SCE AND DWP WILL PROVIDE INFORMATION TO THE THIRD PARTY CONSULTANT, SUBJECT TO CERTAIN SECURITY REQUIREMENTS, STAFFING AVAILABILITIES AND MANAGEMENT APPROVAL.

COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE
(213) 974-1930
FACSIMILE
(213) 613-4751
TDD
(213) 633-0901

ANDREA SHERIDAN ORDIN
County Counsel

January 26, 2012

TO: MAXANNE HATCH
Board Liaison
Department of Public Health

FROM: ELAINE M. LEMKE
Principal Deputy County Counsel
Property Division

RE: **Baldwin Hills Community Standard District Settlement Requirements**

Settlement of the lawsuits challenging the Board of Supervisors' approval of the Baldwin Hills Community Standards District ("CSD"), found in Section 22.44.142 et seq. of Title 22 of the County Code, and its Environmental Impact Report requires the "County to provide written guidance on the additional limits and controls regarding operations of the [oil field regulated by the CSD] which are required by [the Settlement Agreement] to County staff and departments responsible" for implementing and enforcing the CSD. We are required to recirculate the written guidance on an annual basis. In compliance with this provision of the Settlement Agreement, enclosed is a document setting forth the Department of Public Health's responsibilities under said agreement. (We understand that the Health Study referenced therein is well under way.)

It is important to note that the CSD remains in effect and control. Please provide a copy of the enclosures to the appropriate personnel in your department. A copy of the Settlement Agreement is also enclosed.

EML:vn

Enclosures

c: Karly Katona, Deputy
Second Supervisorial District

REQUIREMENTS OF COUNTY DEPARTMENT OF PUBLIC HEALTH PURSUANT TO SETTLEMENT AGREEMENT IN BALDWIN HILLS CSD LITIGATION

Health Study

Complete a Community Health Assessment of the communities surrounding the Oil Field which shall include an Environmental Justice component by June 2012 and ensure additional assessments are completed every five to seven years throughout the life of the CSD.

In future Community Health Assessments, the County Department of Public Health ("Public Health") shall review other agencies' reports regarding air quality, water quality and seismic data, where feasible, in its assessment. Public Health will analyze the information by socio-economic and demographic data to accommodate and reflect an Environmental Justice component. The Community Health Assessment shall include, but not be limited to, an analysis of cancer, rates, mortality rates, birth outcomes and a survey of other pertinent health indicators.

Public Health will consult with the CAP and the Health Working Group regarding the Community Health Assessment and consider reasonable comments by the CAP and the Health Working Group.

Public Health will comply with all applicable state and federal requirements including Title VI of the Civil Rights Act of 1964 and corresponding regulations, and California Government Code Section 11135 and corresponding regulations.

Air Quality Monitoring

Provide input to Department of Regional Planning regarding the following.

Supplemental to the air monitoring required by the CSD, the County will develop and implement an air quality monitoring plan that takes into consideration review and comments from Petitioners, interested stakeholders and the public. Such air monitoring shall be designed to assess the risk of both acute and chronic exposure to air contaminants from Oil Field operations, and endeavor to determine and distinguish the source of emissions, to the extent feasible using available and affordable monitoring technology.

The air monitoring may be performed by SCAQMD, or an independent qualified consultant selected by County, and shall be commenced by July 15, 2012.

The protocol for the air monitoring plan shall be peer reviewed prior to commencement. The plan shall be completed, and a peer reviewed report issued, within 12 to 24 months after commencement.

The County commits to spending up to $250,000 of its own funds toward implementing the plan and shall use reasonable efforts to seek additional funding sources if necessary to implement the plan. (Office of the Second Supervisorial District to provide funding and take lead in securing additional funding.)

Noise

The Department of Regional Planning has primary responsibility for implementing the CSD, however, Public Health has worked with Regional Planning on the noise issues. Accordingly, set forth below are changes to noise standards. Other noise standards in the CSD remain in effect.

Additional nighttime noise standards to be enforced are:

a. From 10 p.m. to 7 a.m., A-weighted equivalent noise levels associated with drilling, redrilling and reworking wells shall not elevate baseline noise levels (which shall not include drilling, redrilling or reworking operations) by more than three A-weighted decibels (dBAs) at the oil field boundary at any Developed Area, but at no time will PXP be required to maintain noise levels below the baseline nighttime noise levels. (Baseline measurements includes not only the seven locations used in the EIR but four additional locations selected by PXP and the County)

If PXP violates this provision, the County shall not issue new drilling or redrilling permits until PXP, in consultation with the County, identifies the source of the noise and PXP takes steps necessary to assure compliance with the three dBA limit.

b. If drilling, redrilling or reworking operations elevate nighttime baseline noise levels by more than 10 dBA for more than 15 minutes in any one hour as independently verified and determined by the County, PXP in consultation with the County, shall identify the cause and source and take steps to avoid such extended period of noise elevation in the future.

COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE
(213) 974-1930
FACSIMILE
(213) 613-4751
TDD
(213) 633-0901

ANDREA SHERIDAN ORDIN
County Counsel

July 11, 2012

TO: GAIL FARBER, Director
Department of Public Works

FROM: ELAINE M. LEMKE
Principal Deputy County Counsel
Property Division

RE: **Baldwin Hills Community Standard District Settlement Requirements**

Settlement of the lawsuits challenging the Board of Supervisors' approval of the Baldwin Hills Community Standards District ("CSD") and its Environmental Impact Report requires the "County to provide written guidance on the additional limits and controls regarding operations of the [oil field regulated by the CSD] which are required by [the Settlement Agreement] to County staff and departments responsible" for implementing and enforcing the CSD. We are required to recirculate the written guidance on an annual basis. In compliance with this provision of the Settlement Agreement, attached is a document setting forth the additional responsibilities under said agreement, which will be overseen or enforced by the Department of Public Works. Otherwise, the CSD remains in effect and control. Please provide a copy of the attachments to the appropriate personnel in your department. (In 2011 and the first half of 2012, Steve Dunn handled oversight of the electrical distribution study referenced in the attachment.)

A copy of the Settlement Agreement is also attached.

EML:vn

Attachments

c: Karly Katona, Deputy
Second Supervisorial District

REQUIREMENTS OF COUNTY DEPARTMENT OF PUBLIC WORKS PURSUANT TO SETTLEMENT AGREEMENT IN BALDWIN HILLS CSD LITIGATION IN ADDITION TO RESPONSIBILITIES UNDER BALDWIN HILLS COMMUNITY STANDARDS DISTRICT [2012]

Electrical Distribution Study

The settlement agreement required the County to propose to Southern California Edison ("SCE") and the Los Angeles Department of Water and Power ("DWP") that a study be conducted in cooperation with SCE, DWP, the County and Plains Exploration and Production Company ("PXP"), the oil field operator, regarding opportunities to streamline and consolidate electrical lines distributed throughout the Baldwin Hills oil field.

Proposal was to be that SCE, DWP, PXP and the County each fund a quarter of the cost of any such study. The County Department of Public Works ("Public Works") was tasked with overseeing the County's involvement and initiating the proposal to DWP and SCE.

PUBLIC WORKS MADE THE REQUIRED PROPOSAL BUT SCE and DWP DECLINED TO PARTICIPATE.

THE COUNTY IS EXPLORING WHETHER OTHER FUNDING CAN BE OBTAINED. IF SUCH FUNDING IS LOCATED, THEN PUBLIC WORKS WOULD OVERSEE THE COUNTY'S PARTICIPATION.

COUNTY OF LOS ANGELES

OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE
(213) 974-1930
FACSIMILE
(213) 613-4751
TDD
(213) 633-0901

ANDREA SHERIDAN ORDIN
County Counsel

July 11, 2012

TO: RICHARD J. BRUCKNER
Director of Planning
Department of Regional Planning

FROM: ELAINE M. LEMKE
Principal Deputy County Counsel
Property Division

RE: **Baldwin Hills Community Standard District Settlement Requirements**

Settlement of the lawsuits challenging the Board of Supervisors' approval of the Baldwin Hills Community Standards District ("CSD") and its Environmental Impact Report requires the "County to provide written guidance on the additional limits and controls regarding operations of the [oil field regulated by the CSD] which are required by [the Settlement Agreement] to County staff and departments responsible" for implementing and enforcing the CSD. We are required to recirculate the written guidance on an annual basis. In compliance with this provision of the Settlement Agreement, attached is a document setting forth the additional and more restrictive controls and limits under said agreement, which will be overseen or enforced by the Department of Regional Planning. Otherwise, the CSD remains in effect and control. Please provide a copy of the attachments to the appropriate personnel in your department.

A copy of the Settlement Agreement is also attached.

EML:vn

Attachments

c: Karly Katona, Deputy
Second Supervisorial District

DEPARTMENT OF REGIONAL PLANNING RESPONSIBILITIES PURSUANT TO SETTLEMENT AGREEMENT REGARDING INGLEWOOD OIL FIELD **IN ADDITION TO** THE DEPARTMENT'S RESPONSIBILITIES ARISING FROM THE BALDWIN HILLS COMMUNITY STANDARDS DISTRICT **[2012 VERSION]**

DRILLING PLANS/SLANT DRILLING

1. Review and approve or identify deficiencies of Deep Zone Supplements that PXP is required to submit for deep zone wells as part of its Annul Drilling Plan within 45 days of receipt of the supplement from Plains Exploration and Production Company ("PXP"). If a well can be slant drilled to lessen environmental impacts, slant drilling will be required.

   For any well that PXP proposes to drill where the top hole is closer than 800 feet to a lot or parcel that contains a single or multi-family residence, existing park, school or health care facility ("Sensitive Developed Areas") and which is in a deep zone (Nodular Shale and Sentous zones and other newly identified zones approximately 8,000 feet or deeper), PXP is required as part of its Annual Drilling Plan to provide a Deep Zone Supplement, which is a study of the technical feasibility and commercial reasonability of Slant Drilling those wells in order to further mitigate potential impacts to Sensitive Developed Area. Generally that means if slant drilling will move the top hole further from a Sensitive Developed Area than if straight-drilled, then slant drill it. However, the County must consider that slant drilling may have other environmental impacts (e.g., more emissions because it will take longer to drill), so there must be a balancing.

   Slant drilling is defined as non-vertical drilling, directional drilling, or drilling at a relatively significant angle.

2. Review and approve or identify deficiencies of a Mid-Zone Supplement to the Annual Drilling Plan submitted by PXP for mid-zone depth wells (Moynier, Bradna and City of Inglewood zones and other newly identified zones approximately 3,500 to 7,999 feet deep) if the top hole is closer than 800 feet to a Sensitive Developed Area. Same 45-day period as above applies. The Mid-Zone Supplement documents the location of these wells and is required to explain why it is not technically feasible and commercially reasonable to locate the Top Hole away from Sensitive Developed Areas in order to further mitigate impacts to such areas.

3. Drilling of wells where the bottom hole is less than approximately 3,5000 feet deep and above the zones identified as "mid-zone". Shallow wells include the Investment, Vickers, and Rindge zones and should be located away from developed areas and identified in the Annual Drilling Plan and, of course, otherwise comply with CSD requirements.

4. The Annual Drilling Plan should identify all wells proposed for drilling in the year—deep, mid-zone and shallow. The Department may approve the Annual Drilling Plan, Deep Zone Supplement and Mid-Zone Supplements independently of one another. Drilling pursuant to an approved plan or approved supplement may proceed even if one or both of the other documents are not yet approved. If the Annual Drilling Plan is approved before either or both of the supplements, however, approval of the Annual

Drilling Plan must require that drilling of mid-zone or deep wells closer than 800 feet to a Sensitive Developed Area cannot proceed until the appropriate supplement is approved.

5. The Department shall submit each of the supplements to the Community Advisory Panel ("CAP") and allow it two weeks to provide written comments before the Department makes a decision on the supplement(s).

NOISE

6. Additional nighttime noise standards to be enforced are:

   a. From 10 p.m. to 7 a.m., A-weighted equivalent noise levels associated with drilling, redrilling and reworking wells shall not elevate baseline noise levels (which shall not include drilling, redrilling or reworking operations) by more than three A-weighted decibels (dBAs) at the oil field boundary at any Developed Area, but at no time will PXP be required to maintain noise levels below the baseline nighttime noise levels. (Baseline measurements includes not only the seven locations used in the EIR but four additional locations selected by PXP and the County)

      If PXP violates this provision, the County shall not issue new drilling or redrilling permits until PXP, in consultation with the County, identifies the source of the noise and PXP takes steps necessary to assure compliance with the three dBA limit.

   b. If drilling, redrilling or reworking operations elevate nighttime baseline noise levels by more than 10 dBA for more than 15 minutes in any one hour as independently verified and determined by the County, PXP in consultation with the County, shall identify the cause and source and take steps to avoid such extended period of noise elevation in the future.

NUMBER OF DRILL RIGS, WELLS/BONUS WELLS

7. PXP is limited to the use of two drill rigs at the field at any one time (instead of three).

8. The County shall track the number of wells to ensure that PXP drills or redrills no more than 500 new wells total pursuant to the CSD over the life of the CSD, or October 1, 2028, whichever is later and also to ensure that PXP complies with annual limits on the number of wells. The 500 wells includes Bonus Wells (discussed below) and thus is an overall maximum cap for the CSD time period.

9. Until either July 14, 2013 or until PXP has drilled or redrilled 50 wells (whichever is sooner), PXP is limited to 30 wells per year unless PXP has earned Bonus Wells. For PXP's abandonment/closure of each well located within 800 feet of a Developed Area since adoption of the CSD (October 28, 2008), PXP may drill two additional wells with the top hole *outside* that 800-foot zone ("Buffer Zone") as long as the well abandonment complies with DOGGR's standards for abandonment at the time of abandonment. (Thus, PXP gets two new wells—up to a maximum of 15—for each Buffer Zone-well

abandoned.) These earned additional wells are the "Bonus Wells". In this initial time period, PXP may drill up to 45 wells, 30 regular wells plus 15 Bonus Wells. **NOTE THAT PXP ALREADY REACHED THE 50-WELL LIMIT; THUS THIS PROVISION IS NO LONGER APPLICABLE.**

10. After the initial 50-well or July 14, 2013 whichever is sooner, PXP may apply to the Director of Regional Planning to increase the number of regular wells to 35 per year. The Director of Regional Planning must determine that the CSD has been operating adequately (i.e., to protect the health, safety and general welfare of the public). The Director of Regional Planning shall submit his decision regarding the well increase to PXP in writing. If the Director of Regional Planning approved the request, then PXP is limited to 35 regular wells plus 18 Bonus Wells on an annual basis for the remaining life of the CSD for a total of 53 annually. THIS PROVISION IS NOW IN EFFECT.

11. To verify that abandonment was done in compliance with DOGGR standards at the time of abandonment, PXP should submit to Planning a copy of the well abandonment permit received from DOGGR and the "well history report" that PXP submits to DOGGR after physical abandonment of the well is completed. Planning will review these documents and if the abandoned well complies with the requirements, they will notify PXP that a site plan can be approved for a bonus well. It should also document use of the 150-foot concrete cap on an abandoned well.

12. Once a Bonus Well is earned, it can be used at any time during the lifetime of the CSD, subject to the overall 500-well limit and that year's annual limit. In addition, the bonus well must be part of the Annual Drilling Plan for the year that the bonus well is drilled. For example, if PXP properly abandons a well in 2015 within the 800-foot zone, it earns two Bonus Wells which it can drill any year thereafter as long as it will drill no more than 53 wells and no more than 18 bonus wells that year. Again, the top hole for a Bonus Well must be located outside the Buffer Zone.

ANNUAL DRILLING PLAN AND PERIODIC REVIEW

13. The County shall ensure in its review of each Annual Drilling Plan, that PXP addresses the availability and feasibility of the use of natural gas-powered drill rigs or other technology capable of reducing environmental impacts caused by drilling or redrilling wells pursuant to the requirement in the CSD (Section 22.44.142.E.26.c.ix) that PXP discuss the latest equipment and techniques to reduce environmental impacts.

14. During the Periodic Review required by the CSD (Section 22.44.142.G.7), the County will evaluate technology capable of reducing environmental impacts for new equipment used in drilling or re-drilling wells that PXP intends to lease, acquire or otherwise use. The County shall require PXP to implement such technology to the extent it is feasible and available on a commercially reasonable basis. The technology review conducted by the County will be documented in the Periodic Review Report.

15. Any equipment not identified for decommissioning and removal in PXP's 2009 Clean-Up Plan (Section 22.44.142.E.21.a) that becomes unused or abandoned should be identified

for removal in an updated plan. On an annual basis, if no updated removal plan is submitted by PXP, the Department shall inquire of PXP if any additional equipment has been abandoned or is no longer used such that a new plan is required. As part of the annual EQAP audit, the County shall conduct a review of equipment at the site to determine if additional equipment should be removed. If there is such equipment, the Department shall require an updated removal plan.

16. For any wells to be abandoned, PXP is required to use a 150-foot cement surface plug instead of the 25-foot plug required by DOGGR. When reviewing the Annual Drilling Plan, the County should ensure that PXP has documented that this requirement will be met for any wells that PXP proposes to abandon that year. Approval of an annual drilling plan that includes abandonment of wells shall include conditions that require the 150-foot plug. The County shall conduct a review of the well abandonment records as part of the annual EQAP audit, which is conducted pursuant to the CSD, to verify that this requirement has been met.

GENERAL OPERATIONAL ISSUES

17. Permitting. Approval of an Annual Drilling Plan or individual permits by the County is prohibited if PXP is in violation of the following requirements:

a. PXP has failed to provide required slant drilling studies (This "no-permit" provision on the slant drilling issue *only* applies to deep zone or mid-zone wells with a top hole in the Buffer Zone and for which a slant drilling study is required. PXP may drill the wells identified in its Annual Drilling Plan that do not require a deep zone or mid-zone supplement.) ;

b. PXP failed to identify the source of noise that led to violation of the 3 dBA or 10 dBA nighttime standards (paragraph no. 5 above) and failed to take the necessary steps to ensure compliance with this standards for exceedances that are determined to be a result of drilling activities.

c. PXP is in violation of the two-drill rig limit of No. 6 above;

d. PXP exceeds the number of wells allowed to be drilled on an annual or overall basis (paragraph nos. 7-9 above), i.e., once PXP reaches the annual or overall limit, no new wells may be drilled either that year or overall if 500 limit is met;

e. PXP failed to comply with landscaping requirements (Paragraph 16 below).

18. Landscaping. The series of PXP's landscape plans, enhancing the Mia Lehrer Landscape Improvements Concepts, should by provided to the CAP for review prior to County approval. Work pursuant to the first two phases of the Landscaping Plan are to be completed within 9 months of the County's final approval of each phased plan. All landscaping is to be completed within three years of County approval of the final-phased plan.

19. Air Quality Monitoring. In coordination with the Department of Public Health, the County shall develop a peer-reviewed air quality monitoring plan to be done by SCAQMD or County-retained expert and commence monitoring pursuant thereto by July 15, 2012. It must be designed to assess the risk of both acute and chronic exposure to air contaminants from oil field operations, and endeavor to determine and distinguish the source of emissions, to the extent feasible using available and affordable monitoring technology. The plan shall be completed, and a peer reviewed report issued, within 12 to 24 months after commencement. The County committed to spending up to $250,000 of its own funds toward implementing the plan and shall use reasonable efforts to seek additional funding sources if necessary to implement the plan. (Second district to use discretionary funds for this commitment.) THIS IS UNDER WAY AND ON SCHEDULE.

20. Enforcement should ensure that PXP is only using one gas plant flare at any one time at the facility. The old flare is only allowed to remain on site as back-up equipment in the event of failure or malfunction of the new flare. THIS MAY BE AN ISSUE REQUIRING MONITORING THIS YEAR SINCE THE NEW FLARE IS INSTALLED (ALTHOUGH NOT YET OPERATIONAL—AWAITING TESTING REQUIRED BY AQMD.

21. Conduct review of the CSD when production drops to three percent of the estimated peak of production to date of 21,000 barrels of oil per day (i.e, if it drops to 630 barrels per day) to see if closure or modification of the CSD is warranted. [This is already required by Section 22.44.142.E.35 of the CSD but petitioners requested it also be included in the Settlement Agreement.] Any closure or modification of the CSD would required Commission and then Board approval, but the Department shall conduct the initial review to prepare a recommendation.

22. Receipt of peer-reviewed fraccing study/report prepared by independent consultant retained by PXP, <u>and</u> the County helps select the peer-review consultant. UNDERWAY

23. Schedule an annual public discussion at the CAP concerning the settlement agreement and the status of compliance with its terms.

COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE
(213) 974-1930
FACSIMILE
(213) 613-4751
TDD
(213) 633-0901

ANDREA SHERIDAN ORDIN
County Counsel

July 11, 2012

TO: GAIL FARBER, Director
Department of Public Works

FROM: ELAINE M. LEMKE
Principal Deputy County Counsel
Property Division

RE: **Baldwin Hills Community Standard District Settlement Requirements**

Settlement of the lawsuits challenging the Board of Supervisors' approval of the Baldwin Hills Community Standards District ("CSD") and its Environmental Impact Report requires the "County to provide written guidance on the additional limits and controls regarding operations of the [oil field regulated by the CSD] which are required by [the Settlement Agreement] to County staff and departments responsible" for implementing and enforcing the CSD. We are required to recirculate the written guidance on an annual basis. In compliance with this provision of the Settlement Agreement, attached is a document setting forth the additional responsibilities under said agreement, which will be overseen or enforced by the Department of Public Works. Otherwise, the CSD remains in effect and control. Please provide a copy of the attachments to the appropriate personnel in your department. (In 2011 and the first half of 2012, Steve Dunn handled oversight of the electrical distribution study referenced in the attachment.)

A copy of the Settlement Agreement is also attached.

EML:vn

Attachments

c: Karly Katona, Deputy
Second Supervisorial District

REQUIREMENTS OF COUNTY DEPARTMENT OF PUBLIC WORKS PURSUANT TO SETTLEMENT AGREEMENT IN BALDWIN HILLS CSD LITIGATION IN ADDITION TO RESPONSIBILITIES UNDER BALDWIN HILLS COMMUNITY STANDARDS DISTRICT [2012]

Electrical Distribution Study

The settlement agreement required the County to propose to Southern California Edison ("SCE") and the Los Angeles Department of Water and Power ("DWP") that a study be conducted in cooperation with SCE, DWP, the County and Plains Exploration and Production Company ("PXP"), the oil field operator, regarding opportunities to streamline and consolidate electrical lines distributed throughout the Baldwin Hills oil field.

Proposal was to be that SCE, DWP, PXP and the County each fund a quarter of the cost of any such study. The County Department of Public Works ("Public Works") was tasked with overseeing the County's involvement and initiating the proposal to DWP and SCE.

PUBLIC WORKS MADE THE REQUIRED PROPOSAL BUT SCE and DWP DECLINED TO PARTICIPATE.

THE COUNTY IS EXPLORING WHETHER OTHER FUNDING CAN BE OBTAINED. IF SUCH FUNDING IS LOCATED, THEN PUBLIC WORKS WOULD OVERSEE THE COUNTY'S PARTICIPATION.

COUNTY OF LOS ANGELES

OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE
(213) 974-1930
FACSIMILE
(213) 613-4751
TDD
(213) 633-0901

ANDREA SHERIDAN ORDIN
County Counsel

August 25, 2011

TO: RICHARD J. BRUCKNER
Director of Planning
Department of Regional Planning

FROM: ELAINE M. LEMKE
Principal Deputy County Counsel
Property Division

RE: **Baldwin Hills Community Standard District Settlement Requirements**

Settlement of the lawsuits challenging the Board of Supervisors' approval of the Baldwin Hills Community Standards District ("CSD") and its Environmental Impact Report requires the "County to provide written guidance on the additional limits and controls regarding operations of the [oil field regulated by the CSD] which are required by [the Settlement Agreement] to County staff and departments responsible" for implementing and enforcing the CSD. We are required to recirculate the written guidance on an annual basis. In compliance with this provision of the Settlement Agreement, attached is a document setting forth the additional and more restrictive controls and limits under said agreement, which will be overseen or enforced by the Department of Regional Planning. The attached document replaces the prior guidelines, which were clarified and more detailed. Otherwise, the CSD remains in effect and control. Please provide a copy of the attachments to the appropriate personnel in your department and remove the prior set of guidelines from the file..

A copy of the Settlement Agreement was previously provided.

EML:vn

Attachments

c: Karly Katona, Deputy
Second Supervisorial District

DEPARTMENT OF REGIONAL PLANNING RESPONSIBILITIES PURSUANT TO SETTLEMENT AGREEMENT REGARDING INGLEWOOD OIL FIELD **IN ADDITION TO** THE DEPARTMENT'S RESPONSIBILITIES ARISING FROM THE BALDWIN HILLS COMMUNITY STANDARDS DISTRICT

DRILLING PLANS/SLANT DRILLING

1. Review and approve or identify deficiencies of Deep Zone Supplements that PXP is required to submit for deep zone wells as part of its Annul Drilling Plan within 45 days of receipt of the supplement from Plains Exploration and Production Company ("PXP"). If a well can be slant drilled to lessen environmental impacts, slant drilling will be required.

   For any well that PXP proposes to drill where the top hole is closer than 800 feet to a lot or parcel that contains a single or multi-family residence, existing park, school or health care facility ("Sensitive Developed Areas") and which is in a deep zone (Nodular Shale and Sentous zones and other newly identified zones approximately 8,000 feet or deeper), PXP is required as part of its Annual Drilling Plan to provide a Deep Zone Supplement, which is a study of the technical feasibility and commercial reasonability of Slant Drilling those wells in order to further mitigate potential impacts to Sensitive Developed Area. Generally that means if slant drilling will move the top hole further from a Sensitive Developed Area than if straight-drilled, then slant drill it. However, the County must consider that slant drilling may have other environmental impacts (e.g., more emissions because it will take longer to drill), so there must be a balancing.

   Slant drilling is defined as non-vertical drilling, directional drilling, or drilling at a relatively significant angle.

2. Review and approve or identify deficiencies of a Mid-Zone Supplement to the Annual Drilling Plan submitted by PXP for mid-zone depth wells (Moynier, Bradna and City of Inglewood zones and other newly identified zones approximately 3,500 to 7,999 feet deep) if the top hole is closer than 800 feet to a Sensitive Developed Area. Same 45-day period as above applies. The Mid-Zone Supplement documents the location of these wells and is required to explain why it is not technically feasible and commercially reasonable to locate the Top Hole away from Sensitive Developed Areas in order to further mitigate impacts to such areas.

3. Drilling of wells where the bottom hole is less than approximately 3,5000 feet deep and above the zones identified as "mid-zone". Shallow wells include the Investment, Vickers, and Rindge zones and should be located away from developed areas and identified in the Annual Drilling Plan and, of course, otherwise comply with CSD requirements.

4. The Annual Drilling Plan should identify all wells proposed for drilling in the year—deep, mid-zone and shallow. The Department may approve the Annual Drilling Plan, Deep Zone Supplement and Mid-Zone Supplements independently of one another. Drilling pursuant to an approved plan or approved supplement may proceed even if one or both of the other documents are not yet approved. If the Annual Drilling Plan is approved before either or both of the supplements, however, approval of the Annual

Drilling Plan must require that drilling of mid-zone or deep wells closer than 800 feet to a Sensitive Developed Area cannot proceed until the appropriate supplement is approved.

5. The Department shall submit each of the supplements to the Community Advisory Panel ("CAP") and allow it two weeks to provide written comments before the Department makes a decision on the supplement(s).

NOISE

6. Additional nighttime noise standards to be enforced are:

   a. From 10 p.m. to 7 a.m., A-weighted equivalent noise levels associated with drilling, redrilling and reworking wells shall not elevate baseline noise levels (which shall not include drilling, redrilling or reworking operations) by more than three A-weighted decibels (dBAs) at the oil field boundary at any Developed Area, but at no time will PXP be required to maintain noise levels below the baseline nighttime noise levels. (Baseline measurements includes not only the seven locations used in the EIR but four additional locations selected by PXP and the County)

      If PXP violates this provision, the County shall not issue new drilling or redrilling permits until PXP, in consultation with the County, identifies the source of the noise and PXP takes steps necessary to assure compliance with the three dBA limit.

   b. If drilling, redrilling or reworking operations elevate nighttime baseline noise levels by more than 10 dBA for more than 15 minutes in any one hour as independently verified and determined by the County, PXP in consultation with the County, shall identify the cause and source and take steps to avoid such extended period of noise elevation in the future.

NUMBER OF DRILL RIGS, WELLS/BONUS WELLS

7. PXP is limited to the use of two drill rigs at the field at any one time (instead of three).

8. The County shall track the number of wells to ensure that PXP drills or redrills no more than 500 new wells total pursuant to the CSD over the life of the CSD, or October 1, 2028, whichever is later and also to ensure that PXP complies with annual limits on the number of wells. The 500 wells includes Bonus Wells (discussed below) and thus is an overall maximum cap for the CSD time period.

9. Until either July 14, 2013 or until PXP has drilled or redrilled 50 wells (whichever is sooner), PXP is limited to 30 wells per year unless PXP has earned Bonus Wells. For PXP's abandonment/closure of each well located within 800 feet of a Developed Area since adoption of the CSD (October 28, 2008), PXP may drill two additional wells with the top hole *outside* that 800-foot zone ("Buffer Zone") as long as the well abandonment complies with DOGGR's standards for abandonment at the time of abandonment. (Thus, PXP gets two new wells—up to a maximum of 15—for each Buffer Zone-well

abandoned.) These earned additional wells are the "Bonus Wells". In this initial time period, PXP may drill up to 45 wells, 30 regular wells plus 15 Bonus Wells.

10. After the initial 50-well or July 14, 2013 whichever is sooner, PXP may apply to the Director of Regional Planning to increase the number of regular wells to 35 per year. The Director of Regional Planning must determine that the CSD has been operating adequately (i.e., to protect the health, safety and general welfare of the public). The Director of Regional Planning shall submit his decision regarding the well increase to PXP in writing. If the Director of Regional Planning approved the request, then PXP is limited to 35 regular wells plus 18 Bonus Wells on an annual basis for the remaining life of the CSD for a total of 53 annually.

11. To verify that abandonment was done in compliance with DOGGR standards at the time of abandonment, PXP should submit to Planning a copy of the well abandonment permit received from DOGGR and the "well history report" that PXP submits to DOGGR after physical abandonment of the well is completed. Planning will review these documents and if the abandoned well complies with the requirements, they will notify PXP that a site plan can be approved for a bonus well.

12. Once a Bonus Well is earned, it can be used at any time during the lifetime of the CSD, subject to the overall 500-well limit and that year's annual limit. In addition, the bonus well must be part of the Annual Drilling Plan for the year that the bonus well is drilled. For example, if PXP properly abandons a well in 2015 within the 800-foot zone, it earns two Bonus Wells which it can drill any year thereafter as long as it will drill no more than 53 wells and no more than 18 bonus wells that year. Again, the top hole for a Bonus Well must be located outside the Buffer Zone.

ANNUAL DRILLING PLAN AND PERIODIC REVIEW

13. The County shall ensure in its review of each Annual Drilling Plan, that PXP addresses the availability and feasibility of the use of natural gas-powered drill rigs or other technology capable of reducing environmental impacts caused by drilling or redrilling wells pursuant to the requirement in the CSD (Section 22.44.142.E.26.c.ix) that PXP discuss the latest equipment and techniques to reduce environmental impacts.

14. During the Periodic Review required by the CSD (Section 22.44.142.G.7), the County will evaluate technology capable of reducing environmental impacts for new equipment used in drilling or re-drilling wells that PXP intends to lease, acquire or otherwise use. The County shall require PXP to implement such technology to the extent it is feasible and available on a commercially reasonable basis. The technology review conducted by the County will be documented in the Periodic Review Report.

15. Any equipment not identified for decommissioning and removal in PXP's 2009 Clean-Up Plan (Section 22.44.142.E.21.a) that becomes unused or abandoned should be identified for removal in an updated plan. On an annual basis, if no updated removal plan is submitted by PXP, the Department shall inquire of PXP if any additional equipment has been abandoned or is no longer used such that a new plan is required. As part of the

annual EQAP audit, the County shall conduct a review of equipment at the site to determine if additional equipment should be removed. If there is such equipment, the Department shall require an updated removal plan.

16. For any wells to be abandoned, PXP is required to use a 150-foot cement surface plug instead of the 25-foot plug required by DOGGR. When reviewing the Annual Drilling Plan, the County should ensure that PXP has documented that this requirement will be met for any wells that PXP proposes to abandon that year. Approval of an annual drilling plan that includes abandonment of wells shall include conditions that require the 150-foot plug. The County shall conduct a review of the well abandonment records as part of the annual EQAP audit, which is conducted pursuant to the CSD, to verify that this requirement has been met.

GENERAL OPERATIONAL ISSUES

17. Permitting. Approval of an Annual Drilling Plan or individual permits by the County is prohibited if PXP is in violation of the following requirements:

a. PXP has failed to provide required slant drilling studies (This "no-permit" provision on the slant drilling issue *only* applies to deep zone or mid-zone wells with a top hole in the Buffer Zone and for which a slant drilling study is required. PXP may drill the wells identified in its Annual Drilling Plan that do not require a deep zone or mid-zone supplement.) ;

b. PXP failed to identify the source of noise that led to violation of the 3 dBA or 10 dBA nighttime standards (paragraph no. 5 above) and failed to take the necessary steps to ensure compliance with this standards for exceedances that are determined to be a result of drilling activities.

c. PXP is in violation of the two-drill rig limit of No. 6 above;

d. PXP exceeds the number of wells allowed to be drilled on an annual or overall basis (paragraph nos. 7-9 above), i.e., once PXP reaches the annual or overall limit, no new wells may be drilled either that year or overall if 500 limit is met;

e. PXP failed to comply with landscaping requirements (Paragraph 16 below).

18. Landscaping. The series of PXP's landscape plans, enhancing the Mia Lehrer Landscape Improvements Concepts, should by provided to the CAP for review prior to County approval. Work pursuant to the first two phases of the Landscaping Plan are to be completed within 9 months of the County's final approval of each phased plan. All landscaping is to be completed within three years of County approval of the final-phased plan.

19. Air Quality Monitoring. In coordination with the Department of Public Health, the County shall develop a peer-reviewed air quality monitoring plan to be done by SCAQMD or County-retained expert and commence monitoring pursuant thereto by July 15, 2012. It must be designed to assess the risk of both acute and chronic exposure to air

contaminants from oil field operations, and endeavor to determine and distinguish the source of emissions, to the extent feasible using available and affordable monitoring technology. The plan shall be completed, and a peer reviewed report issued, within 12 to 24 months after commencement. The County committed to spending up to $250,000 of its own funds toward implementing the plan and shall use reasonable efforts to seek additional funding sources if necessary to implement the plan. (Second district to use discretionary funds for this commitment.)

20. Enforcement should ensure that PXP is only using one gas plant flare at any one time at the facility. The old flare is only allowed to remain on site as back-up equipment in the event of failure or malfunction of the new flare.

21. Conduct review of the CSD when production drops to three percent of the estimated peak of production to date of 21,000 barrels of oil per day (i.e, if it drops to 630 barrels per day) to see if closure or modification of the CSD is warranted. [This is already required by Section 22.44.142.E.35 of the CSD but petitioners requested it also be included in the Settlement Agreement.] Any closure or modification of the CSD would required Commission and then Board approval, but the Department shall conduct the initial review to prepare a recommendation.

22. Receipt of peer-reviewed fraccing study/report prepared by independent consultant retained by PXP, <u>and</u> the County helps select the peer-review consultant.

23. Schedule an annual public discussion at the CAP concerning the settlement agreement and the status of compliance with its terms.