



CITY OF CULVER CITY

9770 CULVER BOULEVARD
CULVER CITY, CALIFORNIA 90232-0507
CITY HALL Tel. (310) 253-6000
FAX (310) 253-6010

MEGHAN SAHLI-WELLS
MAYOR

MICHEÁL O'LEARY
VICE MAYOR

COUNCILMEMBERS
JIM B. CLARKE
JEFFREY COOPER
ANDREW WEISSMAN

February 9, 2015

Steven P. Rusch
Vice President Environmental, Health, & Safety
and Government Affairs
Freeport-McMoRan
5640 S. Fairfax Avenue
Los Angeles, CA 90056

Dear Mr. Rusch:

At the May 22, 2014 meeting of the Community Advisory Panel (CAP) for the Baldwin Hills Community Standards District (CSD), Mayor Meghan Sahli-Wells requested information from Freeport-McMoRan (FM) relating to the location of the existing bottom holes within the Culver City jurisdiction of the Inglewood Oil Field (Oil Field). FM reported at a subsequent meeting on July 24, 2014 that they would not be providing this information. (See attached minutes.)

Please consider this a formal request by the City Council Subcommittee on Oil Drilling for the following information:

1. A map of the Oil Field identifying each bottom hole location within the Culver City portion of the Oil Field, along with the corresponding top hole location regardless of jurisdiction.
2. Depth and GPS coordinates for each of the bottom hole locations identified above.

As you know, the City is currently drafting the Inglewood Oil Field Specific Plan, which will establish regulations for oil and production activities within the City's jurisdiction. The requested information is an important component to the overall analysis of potential regulations and is relevant to determine the potential impact of such oil and production activities on the environment, public health and safety and land use.

The Subcommittee, on behalf of the City Council, looks forward to your cooperation in this matter.

Sincerely,

Meghan Sahli-Wells, Mayor
City of Culver City
Council Subcommittee on Oil Drilling

Andrew Weissman, Councilmember
City of Culver City
Council Subcommittee on Oil Drilling

Attachments: May 22, June 26, and July 24, 2014 Baldwin Hills Community Advisory Panel (CAP) Meeting Minutes

cc: The Honorable Holly Mitchell, Member of the State Senate
The Honorable Members of the City Council
Steven Bohlen, State Oil and Gas Supervisor
Timothy Stapleton, Los Angeles County Department of Regional Planning

BALDWIN HILLS CSD
COMMUNITY ADVISORY PANEL (CAP) MEETING
Minutes May 22, 2014
FINAL

A. Call to Order - 7:00 PM
John Kuechle Chair.

B. Announcement of Agenda
Approved.

C. Regional Planning/ECC Update – Tim Stapleton

Periodic Review – Twenty five sets of comments were received. Mr. Kuechle asked about the schedule, Mr. Perez discussed the remaining steps and Mr. Stapleton explained the public hearing process that DRP must follow for the hearing. Late summer, early fall is the schedule estimate. Mr. Stapleton asked the CAP about locations and nights of the week for the hearing and whether the hearing should happen on a CAP meeting date. Ms. Sahli-Wells offered the Culver City hearing room facilities for the Periodic Review hearing. Ms. Goznell requested that a religious calendar be checked before scheduling the hearing so that the public does not have schedule conflicts.

Air Quality Study Report has been delayed several months due to the time the consultant, STI, needs to respond to comments from the SCAQMD. Ms. Steva requested that the SCAQMD comments be provided to the CAP, the comments will be included in the final report. The document will be released toward the end of summer and will be provided to the CAP prior to the CAP meeting to allow time for CAP review. The fact that the report was not completed on the expected schedule was discussed with several commenters noting the CAP would like to see the report sooner rather than later. Mr. Perez discussed the MATES (Multiple Air Toxic Exposure Study) process and timing of the most recently completed study, MATES4. The Air Quality Study was completed using older data from MATES3, STI would like to use the updated data from MATES4 for the report. The MATES4 report is currently under preparation and review by the SCAQMD. Mr. Ferrazzi noted that the Air Quality Study should be a standalone document and the separate MATES studies by the SCAQMD are different, separate studies/reports. Mr. Ferrazzi further requested that Air Quality Study be released now with the MATES3 data and updated with an addendum later when the MATES4 data is available, a suggestion also made by Mr. Gless. Mr. Perez explained that the updated MATES4 data is very useful because it provides necessary background and baseline data for the area surrounding the oil field which provides context for the STI study. Mr. Perez noted that all the parties involved want to use the updated MATES4 data and that the report is moving forward and will be ready in a few months. Mr. Perez also directed the CAP to the EIR for more information on the air quality studies. Ms. Goznell requested that the study use the most recently available data with Mr. Perez noting that the MATES4 data is exactly that. Mr. Gless commented that the County should provide any necessary funding to complete the report per the Settlement Agreement.

D. Operator Update – Lisa Paillet

Drilling Update Ms. Paillet noted 14 new wells have been drilled to date in 2014 and that there is currently one re-working rigs on the field. No changes to drilling plan have been made to date.

Landscaping Update – Ms. Paillet discussed the scheduled start of Phase 5 landscaping which is June 2, 2014. Phase 5 is along the west side of La Cienega/north of Stocker.

May 5, 2014 Spill – Ms. Paillet detailed a mist/spray type spill of less than a gallon of emulsion on the east side of La Cienega. The spill was cleaned up and the suspected cause was corrosion. Applicable agencies were notified. The pipeline was a collector or feeder line between a well or wells and the tank/process area. Mr. Dusette noted that the information he received on the spill was that the cause was a bad weld and that the hole was near the top of the pipe as opposed to the bottom where typical corrosion problems occur. Ms. Paillet will follow up with the operators to get more detail on the leak cause. Mr. Dusette explained that the line was hydro-tested in December 2013 with no issues. Mr. Kuechle asked about what other types of inspections/testing are being done to check on the oil field pipelines. Ms. Paillet noted that the lines are being tested with UT (ultrasonic testing) technology. Mr. Perez explained the

hydro-test process and that every time a pipeline is tested it stresses the pipeline. Mr. Kuechle asked about the UT testing process and Mr. Perez noted that the inspections are based on pipeline history and issues of each pipeline. Mr. Kuechle noted that more attention should be paid to pipelines near the fence line/edge of the oil field due to the potential for offsite impacts. Mr. Perez noted that the SIMQAP audit process may provide an opportunity to look at the pipeline inspection program. Mr. Williams asked about a corrosion control program and Mr. Perez confirmed that FM O&G has such a plan. Mr. Dusette confirmed that FM O&G has a SCAQMD Rule 1173 inspection program. The CAP requested that FM O&G make a presentation on the corrosion control program. Ms. Gyi asked about pipeline age, pipeline metal composition, and sensitive receptor locations. Ms. Gyi further noted that the Mesa Hills Charter School may be close enough to the oil field to constitute as a sensitive receptor. Ms. Paillet will follow up with information on the age of the pipelines in the oil field.

May 8, 2014 Spill – Produced water spill from a water injection line between La Brea and Stocker. Applicable agencies were notified and the area cleaned up. Mr. Gless asked about another spill, Ms. Paillet noted that the spills were different and did not have any information on the spill Mr. Gless was referring to.

Oil Field Rigs – Mr. Gless asked about the other types of rigs in the field besides re-working rigs and requested that FM O&G provide the number of all rigs (re-work, maintenance, etc.) in the field.

Culver City Bottom Hole Location Question – Question was asked at the April CAP, Ms. Paillet noted that there are 46 bottom hole locations in Culver City (outside the CSD boundary). Surface well locations in Culver City are on record with Culver City Fire and there are 26 locations. Mr. Ferrazzi and others noted there is some confusion due to the difference number of surface and bottom hole locations. Ms. Paillet directed the CAP to the DOGGR web site for more information. Ms. Sahli-Wells asked for a map or graphical representation to provide the information to the CAP. A request was made for the number of all the wells outside the boundaries of the CSD. An additional question was made for how many wells with surface locations inside the CSD have bottom hole locations outside the CSD. Mr. Williams explained the DOGGR requirement for a collision map whereby any well bore path must be mapped surface to bottom hole to make sure it does not cross the path of another well.

Oil Lease Question - Question was asked at the April CAP, Ms. Paillet noted FM O&G can provide someone to discuss mineral rights and oil lease issues.

Property Damage Geologist - Question was asked at the April CAP, Ms. Paillet provided John Petros as the name of the geologist and that some follow up investigations require more than one visit.

AQMD Enforcement Update – Issue has been settled and has been closed.

Well Completions – Mr. Ferrazzi asked about the well completion techniques used on the 14 wells completed to date in 2014; how many were gravel pack and how many were multi zone gravel pack.

Fire Department Response – Ms. Cottles discussed the fact that in certain situations the Fire Department dispatches their resources to different areas to deal with emergencies. The Fire Department is required to deal with multiple emergencies at times and has a protocol to allocate resources. Mr. Perez noted that the Fire Department uses mutual aid agreements with other agencies to coordinate emergency response.

E. Periodic Review Update – Discussed above.

F. CAP Form/Function/Representation – Ms. Sahli-Wells

Ms. Sahli-Wells discussed ways to improve CAP attendance and achieve the goals of the CAP. Notably absent from most CAP meetings is a representative from West LA College. Mr. Ferrazzi noted that the Planning Director was asked by the CAP to provide some direction to the CAP on members/absent members. Mr. Kuechle point out that governmental agency CAP members should be appointing new representatives if current CAP members are not attending independent of direction from DRP. Mr. Stapleton noted that the Periodic Review calls for an update to the CAP membership issue and that the County could send update letters out to check on CAP members and their interest in remaining on the CAP. Mr. Kuechle also pointed out that the CAP HOA members can and should send alternates when the appointed member cannot attend a meeting. Further, Mr. Kuechle noted that other HOA or community groups that have expressed interest in CAP membership have not had the opportunity to gain membership. Ms. Gyi pointed out that given the proximity of West LA College to the oil field, an effort should be made to get a representative from the College and the Unified School District (Windsor Magnet School) on the

CAP with Ms. Sahli-Wells concurring. Mr. Kuechle requested that the Periodic Review recommendation on the subject be strengthened to provide a revised protocol on CAP membership. Several CAP members noted that the CAP itself can contact absentee or potential new CAP members to get some new interest and new people on the CAP. Mr. Kuechle reminded the room that anyone from the public can attend and provide comment at CAP meetings. Mr. Stapleton will get the CAP guidelines and by-laws posted on the web site. Ms. Steva recommended that the periodic review process be used to the maximum extent feasible to help increase attendance and participation in the CAP.

G. Public Comment –

Concern on Oil Field Operations - A member of the public from Ladera Heights (sitting in for Carmen Spiva) noted her concern on oil field operations and that many members of the public are not familiar with the oil field. The CAP encouraged her and other members of her neighborhood to attend future CAP meetings to learn more about the oil field and associated issues.

Property Damage - Ms. Shapiro, a Blair Hills resident, discussed damage from hydraulic fracturing to her home, the associated cost to repair her home and the fact that FM O&G has not paid for the damage. Ms. Shapiro listed damage to windows, doors, ceiling leaks, and cracked concrete. A report was filed and the CSD process was followed with an investigation on the damage. Ms. Shapiro described the changes in the neighborhood over the last few years and that the community has changed in a negative way. Ms. Shapiro requested that her explanation of the situation at her home be part of the minutes. Mr. Kuechle asked about what the County can do past the CSD process to help the Shapiro's. Mr. Stapleton confirmed that the geotechnical investigation records have been forwarded to Public Works and DOGGR. Mr. Ferrazzi noted that studies (he referenced the 1976 Castle & Yerkes Study) on the oil field have been shown to cause ground movement, therefore, damage caused by ground movement must be related in some way to the oil field. Mr. Perez reminded the CAP that there are other variables in the area and in California in general that contribute to damage to homes such as pre seismic building code construction, seismic activity, building on the side of hills, and homes built on unconsolidated materials. Mr. Gless concurred with Mr. Ferrazzi and pointed out that the other variables do not explain away the fact that the oil field causes ground movement and ground movement causes damage to homes. Ms. Sahli-Wells asked about more information on the subject and whether data is available to better understand the issue.

Odor Issue – Ms. Goznel noted that the sewer smell near the Outlook area near Culver City is getting worse and whether the CAP can do anything about it. Ms. Sahli-Wells will look into the issue with Culver City.

H. Approval of Minutes – Postponed till next meeting due to time restraints.

I. Announcement – Next CAP meeting June 26, 2014. Adjourn 9:00.

ATTENDANCE: 5/22/14

(*absent)

DESIGNATED SEATS PER 22.44.142.J.1.a***Governmental Entities***

1	Department of Regional Planning	Timothy Stapleton
2	City of Culver City	Meghan Sahli-Wells
3	West Los Angeles College	Nabil Abu-Ghazaleh*

Operator (per 22.44.142.C)

5	Freeport McMoran Oil & Gas	Lisa Paillet
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NOMINATED SEATS PER 22.44.142.J.1.a**(Accepted first-come/first-served within each sub-group)*****Landowners (per 22.44.142.C)***

6	Vickers Family Trust	Roger Shockley*
7	Cone Fee Family Trust	Liz Gosnell

Neighborhood Organizations (Recognized Homeowners Association)

8	Ladera Heights Civic Assoc.	Carmen Spiva*
9	Windsor Hills HOA	Gary Gless
10	United HOA (View Park)	Catherine Cottles
11	Culver Crest Neighborhood Assoc.	John Kuechle
12	Blair Hills HOA	Jon Melvin*
13	Raintree Community HOA	Bambi Njamfa*
14	Baldwin Hills Estates HOA	Ronda Jones*

Neighborhood Organizations (No Recognized Homeowners Association)

15	Ladera Crest Homeowner	Rene Talbott*
16	Baldwin Vista Homeowner	Irma Munoz*

School Districts

17	Los Angeles Unified	Glenn Striegler*
18	Culver City Unified	Katherine Paspalis*

Neighborhood Organizations (All Others)

19	Windsor Hills Block Club	Toni McDonald-Tabor*
20	Community Health Councils	Erin Steva
21	Baldwin Hills Conservancy	David McNeill*
22	The City Project	Daphne Hsu*

BALDWIN HILLS CSD
COMMUNITY ADVISORY PANEL (CAP) MEETING
Minutes June 26, 2014
DRAFT

A. **Call to Order** - 7:00 PM
David McNeil Chair.

B. **Announcement of Agenda**
Approved.

C. **Regional Planning/ECC Update** - Tim Stapleton

CAP Procedures/Bylaws - Re-posted on web site under the CAP tab. County also working on a letter to CAP members to remind them of the attendance and CAP member responsibilities.

Periodic Review - Schedule remains for early fall release.

Air Quality Study - Schedule remains late summer, SCAQMD has not provided a release date.

Bio Farm Settlement Amount - A member of the public asked about the SCAQMD NOV settlement amount, Ms. Paillet announced that the settlement amount is confidential.

Compliance Plans - FM O&G submitted the following 2013 compliance plans to the County; Special Status Species Compliance Report, Invasive Plan Survey Report, and the Abandoned Well Testing Report.

D. **Operator Update** - Lisa Paillet

Drilling Update Ms. Paillet noted 17 new wells have been drilled to date in 2014, number 18 is currently being drilled with the drill rig scheduled to leave the field upon completion of the well. The drill rig may not return this year and 4 re-working rigs are currently operating at the oil field. Mr. Kuechle noted that drilling 18 wells was significantly less than what was detailed in the drilling plan for the year; Ms. Paillet stated that the drilling plan has not been revised and the drill rig may return to drill additional wells. Current plans, however, are to use the drill rig at a different site.

Compliance Plans - Special Status Species Compliance Report, Invasive Plan Survey Report, and the Abandoned Well Testing Report as noted above have been submitted to the County.

Landscaping Update - Ms. Paillet reminded the CAP of the scheduled start of Phase 5 landscaping which began June 2, 2014. Phase 5 is along the west side of La Cienega/north of Stocker.

Questions from Past CAP Meetings:

May 5, 2014 Spill - Cause has been determined to be corrosion. Ms. Paillet briefly discussed the corrosion monitoring program and that the FM O&G program is consistent with Cal OSHA, DOGGR and other regulatory requirements. Ms. Paillet noted that a corrosion program presentation may be scheduled for the annual community meeting. Next month a presentation on mineral rights has been scheduled for the CAP.

Pipeline Age - Ms. Paillet provided the age of the oil field pipelines as a range from 1970 to new and noted that pipelines can be replaced or repaired in sections, which makes the determination of the age of a pipeline difficult. Pipeline materials are carbon steel and fiberglass.

→ **Culver City Bottom Hole Location** - Ken Quick of Culver City Fire Department has a map on file with surface locations. The FM O&G map person is on vacation, Ms. Paillet will provide the bottom hole location map at the next CAP meeting. Ms. Paillet provided that there are 47 bottom hole locations outside the CSD boundary in the County and 46 in Culver City, therefore, 93 bottom hole locations are outside the CSD boundary total; the numbers are for active wells. Ms. Paillet also stated that the surface locations are within the CSD boundary.

Gravel Pack Completions - Ms. Paillet noted that no wells are subject to the SB4. Mr. Ferrazzi inquired about 1148.2 reportable well completions; Ms. Paillet was not familiar with the requirement and did not have that information available. The referenced requirement is a SCAQMD Rule to

notify and report well drilling information for the determination of emissions from well drilling activities. Mr. Ferrazzi further noted that gravel pack well completions that may not be subject to SB4 requirements can be subject to other regulatory rules. Ms. Paillet stated that FM O&G wells follow all applicable regulatory requirements. The gravel pack well completion question was reiterated as how many well completions have been done with gravel packs, Ms. Paillet will research the issue.

Ferrazzi Email – Mr. Ferrazzi sent an email to FM O&G asking about Well LAI 1–2267 and the operations being conducted by Halliburton at the well site. Ms. Paillet will research the question.

Oil Field Rigs – Mr. Gless asked about the other types of rigs in the field besides re-working rigs and requested that FM O&G provide the number of all rigs (re-work, maintenance, etc.) in the field. Ms. Paillet noted that there are 4 reworking rigs plus the drill rig currently on the field, no maintenance rigs. Mr. Gless requested information from last month (May).

Palm Trees – Mr. Ferrazzi requested that the palm trees on the oil field be trimmed and Ms. Paillet explained that FM O&G works with the Fire Department on vegetation management and with a landscaping company on vegetation maintenance of the oil field.

E. CAP/Open Discussion

Abandon Well Soil Vapor Testing - Mr. Ferrazzi inquired about the soil gas testing under the abandoned well testing provision of the CSD and why the testing program started with 96 wells in 2009 and in 2013 only tested 4 wells were tested. Mr. Dusette explained that the testing is for specific areas, not wells, and that the CSD allows for areas that test below a 50 ppm threshold for two years in a row to move to an every 5 year testing interval. Mr. Ferrazzi also asked for more information about the sampling depth, sampling technique, and well testing area locations. Mr. Stapleton provided an overview of the CSD requirement. Mr. Gless requested that the testing be done when the field is under pressure (as part of the field injection program) as opposed to when the field is experiencing subsidence. Mr. Dusette showed the 2013 report map with the locations of the areas tested and stated that the County could research the field testing method utilized in the report. Mr. Ferrazzi noted that all the areas tested last year are on the east side of the field and that he does not believe the conclusion in the report is sufficient with regard to the potential for leaking wells at the oil field. Mr. Perez stated the County will review the report and explained the fact that the testing is for areas identified where oil wells were previously abandoned as opposed to testing at 96 actual well locations. Mr. Ferrazzi further asked about the current process of checking for well leak potential and the EQAP program; Mr. Perez explained DOGGR reviews the data and requires repairs as applicable. Mr. Ferrazzi also pointed out the report states that the City of Inglewood regulates the issue which the CAP thought was unlikely.

DOGGR SB4 Hydraulic Fracturing Regulations – Mr. Kuechle discussed the status of the regulations and announced that a public hearing will be held July 17 in Long Beach and that the public comment period has been extended to July 28, 2014. Mr. Kuechle asked if the County will be providing comments on the regulations, Mr. Stapleton will follow up with the County. Culver City will be providing comments. Mr. Kuechle further requested that the County provide comments on the regulation. Mr. McNeil will follow up on whether the Baldwin Hills Conservancy is going to provide comments.

Odor Issue – Ms. Gosnell asked about the status on the follow up on the Culver City odor issue. Mr. McNeill provided an overview of the status of the LA City sewer system maintenance. The source of the odors appears to be the LA City sewer system. The odor scrubbing system infrastructure has aged and certain components (scrubbers) are in need of replacement. Mr. McNeill further explained new signs will be posted to allow the public to call in complaints. Replacement equipment will be discussed by LA City soon and near term mitigation measures are under review. Mr. Weissman provided that LA City has provided Culver City with an update as follows; man holes have been re-sealed, the air treatment facility at 6000 W. Jefferson has been inspected, the outfall carbon scrubber near Raintree was inspected and adjusted, the West LA interceptor line was treated with caustic sewer

drops to reduce H₂S odor, the north outfall carbon scrubber was replaced, the Jefferson/La Cienega facility carbon scrubber was replaced, and monitoring and other maintenance is scheduled. Contact info for the work is vlad.lorenzo@lacity.org. Mr. McNeill recommended the public utilize the 1-800 Cut Smog number with complaints. Ms. Gosnell asked that Culver City post the LA City contact numbers and that a contact number be provided to CAP members.

New Technologies – Ms. Steva asked about Tier IV engines and whether that type of information is in the periodic review. Mr. Perez reminded the group that for areas where the oil field is in compliance, new technologies may not be required and that part of the County compliance effort is to review the mitigation measures and their effectiveness. Mr. McNeill asked about the 10 in a million threshold for cancer risk and how the threshold applies to urban versus rural areas; Mr. Perez explained the concept of sensitive receptors. Mr. Dusette added that the threshold is set by the Air Resources Board and is independent of population density. Ms. Steva asked about the threshold and other CSD requirements such as noise and how new technologies are reviewed. Mr. Perez reiterated that if you are below the threshold new technologies may not be required. Mr. Perez further noted the periodic review will look at the noise issue that noise monitoring does not capture noise spikes because it is averaged out. Mr. Kuechle provided that Culver City has reviewed the noise monitoring issue in the past and had similar difficulties in dealing with short term noise spikes and the way noise is monitored over an averaging time period.

F. Public Comment

See CAP/Open Discussion above.

G. Approval of Minutes:

April 24, 2014 – Mr. Ferrazzi requested a change to the minutes regarding the discussion on mineral rights and to remove the word “vote” and replace with the DOGGR code reference on the process. Mr. Dusette will correct the minutes.

May 22, 2014 – Ms. Steva noted that she had requested that the periodic review process be used to the maximum extent feasible to help increase attendance and participation in the CAP; Mr. Dusette will add to the minutes. Mr. Ferrazzi requested a clarification on his comments regarding the air quality study and the MATES3 and MATES4 reports; the minutes should state his request that the study be released with the MATES3 data as soon as possible and when the MATES4 data is available, an addendum can be prepared with the updated data. Mr. Dusette will add to the minutes. MATES is acronym for Multiple Air Toxics Exposure Study. Ms. Gosnell asked for a clarification on the issue and whether the County has made a formal request to the AQMD for the MATES4 data. Mr. Perez provided brief overview of the data provided in the EIR, the MATES3 and MATES4 study including how cancer risk is calculated for the oil field as compared to overall cancer risk for the LA basin. Ms. Gyi asked about the cancer risk threshold of 10 in a million; Mr. Perez explained the cancer risk in the LA basin is 1010 per million which is over the threshold and that the threshold is not calculated from the data, the threshold is an Air Resource Board criteria number. Mr. Perez also reviewed the mitigation measures for diesel particulate that were required in the EIR. Mr. Ferrazzi requested a clarification on the ground movement discussion and that he had referenced certain studies that should be included in the minutes.

Minutes approved per the revisions discussed above.

H. Announcement – Next CAP meeting July 24, 2014. Adjourn 8:30.

ATTENDANCE: 6/26/14

(*absent)

DESIGNATED SEATS PER 22.44.142.J.1.a***Governmental Entities***

1	Department of Regional Planning	Timothy Stapleton
2	City of Culver City	Andrew Weissman for Meghan Sahli-Wells*
3	West Los Angeles College	Nabil Abu-Ghazaleh*

Operator (per 22.44.142.C)

5	Freeport McMoran Oil & Gas	Lisa Paillet
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6	Vickers Family Trust	Roger Shockley*
7	Cone Fee Family Trust	Liz Gosnell

Neighborhood Organizations (Recognized Homeowners Association)

8	Ladera Heights Civic Assoc.	Carmen Spiva
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22	The City Project	Daphne Hsu*

BALDWIN HILLS CSD
COMMUNITY ADVISORY PANEL (CAP) MEETING
Minutes July 24th, 2014
DRAFT

A. Call to Order - 7:00 PM
David McNeil Chair.

B. Announcement of Agenda
Approved.

C. Presentation by Operator's Land Use Representative – Rae Connet

Ms. Connet is a land use attorney and owner of a land service company that advises clients on land rights with respect to oil and gas issues. Ms. Connet provided an overview on how oil and gas lease and mineral rights work in California. Ms. Connet's presentation was not specific to the Inglewood Oil Field and she was not at the CAP to discuss FM O&G specific issues. **Overview of key points:**

- Oil & gas leases are a unique combination of real property law and contract law.
- An oil lease is a contract between mineral owner and an oil company to produce the oil.
- Oil leases terms are variable and can be whatever the parties agree to.
- Mineral rights vary from state to state and in CA the mineral rights stay with the property rights unless they are severed by an agreement (fee interest).
- A mineral right in CA is the right to go get the oil and bring it to the surface, it is owned when it reaches the surface.
- The person that owns the mineral rights is the person with the authority to sign an oil and gas lease.
- Lessor is the property owner, lessee is the oil company.
- Typical practice is that the lessee will contact the lessor to try to generate an agreement to drill and produce oil.
- Surface rights in an agreement can be whatever the two parties agree to.
- The oil company has the right to use the surface to the extent necessary to access the minerals subject to other issues in the agreement.
- The oil company has the obligation to either produce the oil or surrender the lease (quit claim deed). The oil company also has the obligation to protect the lessor from drainage.
- Royalty agreements are typically 1/6 or 1/8 but are not uniform, are variable, and can be very detailed.

Discussion: Mr. Melvin asked about what protections are available for surface owners that do not own the minerals rights; Ms. Connet noted that it depends on what was specified when the surface owner acquired the property which requires research on the property title. Most sites in the LA Basin do not involve drilling from the surface property but rather from offsite locations due to permitting and other issues. Subsidence was discussed and Ms. Connet noted that it is not an issue included in oil and gas leases but that the law includes certain protections from damage to property. Mr. Melvin asked about an agreement on trails at the Inglewood Oil Field. Ms. Connet answered that in general, not specific to FM O&G, that agreements such as trails can be specified in the lease and that oil producers must keep equipment away from the public for safety reasons. Mr. McNeill asked about houses that were built next to an oil field and extended reach drilling; Ms. Connet discussed the fact that in the LA Basin most parcels have language on subsurface rights from as far back as the year 1890. Further, the rights to "traverse" the area (well bore) from the surface drilling location to the bottom hole location must be agreed to similar to an easement agreement.

Pooling was discussed along with the notification issue. Ms. Connet referenced SB4, the "fracking", rule which requires notification if a well is to be fracked. The noticing process is the same as other noticing requirements for any development. A member of the public from Culver City asked about being forced pooled after she did not sell the mineral rights under her property. The question was also

asked as to whether a pooling agreement can be rescinded if the surface parties agree to do so. Ms. Connet noted that one can still get the royalties without agreeing to the lease to benefit financially but there is no mechanism to void the previous pool agreement. Forced pooling involves a parcel less than an acre that is surrounded by parcels that are agreeing to a lease.

The question on how to determine the mineral rights of a property was discussed and that a title search is required to get the answer. Ms. Spiva asked about mineral leases that have been lost in the shuffle of property transfers and the royalties; the oil company must be notified by the new owner to get the royalty. The County records are organized by date and name, not by parcel and are located in the City of Norwalk. Ms. Sahli-Wells asked about tracing the title backwards and that it cannot be done by the address but that one would have to trace back through the previous owners which can be a challenge. Surface and bottom hole locations were discussed and that each municipality have different rules.

A question on how long leases last was asked, a typical oil and gas lease in LA Basin for subsurface only is 3 to 20 years for primary term. Primary term is for drilling and to get the land producing, once production is started the lease can go on indefinitely. Mr. Ferrazzi asked about drilling under Culver City, Ms. Paillet requested that those types of specific questions be sent to her for FM O&G legal and land departments to deal with. Ms. Steva asked about how to determine if drilling is occurring under someone's property and Ms. Connet suggested simply asking the oil company directly.

D. Regional Planning/ECC Update – Tim Stapleton

CAP Membership Updates – Robert Sprigg is new representative for L.A. West College and Mark Williams will attend for the City Project.

Compliance Document Submittals - A Revised GeoScience Analytical Report, the Second Quarter 2014 Complaint log, the Second Quarter Groundwater Report, the Met Station Annual Report, and Bonus Well Credit documents have been uploaded to the web site.

Air Quality Study – September, October release date.

Periodic Review – Review should include the air quality study data which means the report is also delayed. Mr. Kuechle requested that the review be released with a response to the other non-air quality issues prior to waiting for the air quality study to be released. Mr. Perez noted that the results of the air study may generate information that may require being addressed in the periodic review. Mr. Perez further noted that the periodic review does not contain any recommendations that would require hearing officer "approval" at this time, all recommendations can be, or have been, implemented under the existing CSD language. Mr. Gless asked about seeing the document ahead of the air study and finalizing it after the air study is available; Mr. Perez will check on this potential path for the document with County Counsel.

CAP Attendance Letter – Letter was distributed.

SB 4 Comment Letter by County – No updated on whether the County will provide comment.

E. Operator Update – Lisa Paillet

Drilling – Eighteen wells drilled to date, rig is off the field.

Compliance Document Submittals – as noted above.

2nd Quarter Complaint Log – Ms. Paillet provided a summary of the data in the complaint log. Air quality alarms were discussed, the H₂S alarm would detect certain sulfide based odors. Ms. Paillet provided an overview of how FM O&G responds to a complaint and that the FM O&G operators physically go to the vicinity of the complaint to investigate. Operators are in the field 24 hours a day and have a geographic area of the field they cover and are responsible for. Ms. Gosnell asked about a SOP type of language to be added to the complaint log to document the response protocol. FM O&G does not typically call the AQMD but suggest the public call the AQMD if they have air quality issues.

Field Rig Follow Up Question – Mr. Gless followed up on his question about the number of rigs in the field. Ms. Paillet explained that in the month of May, 3 or 4 maintenance rigs were on the field at any given time.

→ **Bottom Hole Locations in Culver City Follow Up Question** -FM O&G will not provide that information, some information is available on the DOGGR website by property address.

AQMD Rule 1148.2 Follow Up Question – Ten wells were drilled subject to the rule with 9 completed with gravel packs.

Well LAI 1-2267 Follow Up Question – Well was cleaned out and acid washed.

F. Abandoned Well Testing Follow Up

Mr. Kuechle provided background on the issue discussed at the June CAP meeting. Mr. Dusette provided a handout with an overview of the testing, required under CSD Provision E.32. Mr. Dusette further explained that the level of concern for methane in the LA Basin is 12,500 ppmv in contrast to the test threshold at the oil field of 50 ppmv. The well that required to be abandoned due to leakage tested at 981,000 ppmv. Mr. Dusette provided an overview of the results of the four wells that have been tested every year since the program began. The variability of the data was discussed and that the exact test location, barometric pressure, and that the gas is biogenic explains the range of the test results.

Given that the test results are below the 12,500 ppmv concern threshold, FM O&G does not modify its operation based on the testing results. Mr. Gless asked about testing annually at each well in question to ensure the possibility of a well leaking and Mr. Dusette pointed out that the provision is for testing areas, not actual wells. Ms. Munoz asked about the test area sizes and locations; Mr. Dusette showed a map of the test locations. Mr. Dusette clarified that the 50 ppmv background level is for soil, not in the air. Ms. Sahli-Wells asked about why the testing was not done at each well and Mr. Perez noted that the test locations were derived from the EIR and are for areas of concern, based on areas where wells have been abandoned, but not individual well locations. Mr. Melvin provided that the result variation can be explained statistically but that more information would be required to make that analysis. Mr. Dusette noted that additional information is available in the Fracking Report and the EIR. Mr. Ferrazzi asked about whether the age of the wells was considered in the process to determine test locations, Mr. Perez noted that the age was considered. Mr. Ferrazzi asked about the sampling method and Mr. Dusette will follow up with the soil vapor expert for additional information.

G. CAP/Open Discussion – David McNeil

Mr. Ferrazzi asked Mr. McNeill about leaking wells in the area outside of the oil field, Mr. McNeill recalled two wells.

H. Public Comment – David McNeil

Combined with CAP/Open Discussion, see above.

I. Approval of Minutes – David McNeil

Approved June minutes.

J. Adjourn 9:00.

ATTENDANCE: 7/24/14

(*absent)

DESIGNATED SEATS PER 22.44.142.J.1.a***Governmental Entities***

1	Department of Planning	Timothy Stapleton
2	City of Culver City	Meghan Sahli-Wells
3	West Los Angeles College	Robert Sprigg for Nabil Abu-Ghazaleh*

Operator (per 22.44.142.C)

5	Freeport McMoran Oil & Gas	Lisa Paillet
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NOMINATED SEATS PER 22.44.142.J.1.a**(Accepted first-come/first-served within each sub-group)*****Landowners (per 22.44.142.C)***

6	Vickers Family Trust	Roger Shockley
7	Cone Fee Family Trust	Liz Gosnell

Neighborhood Organizations (Recognized Homeowners Association)

8	Ladera Heights Civic Assoc.	Carmen Spiva
9	Windsor Hills HOA	Gary Gless
10	United HOA (View Park)	Charles McCaw for Catherine Cottles*
11	Culver Crest Neighborhood Assoc.	John Kuechle
12	Blair Hills HOA	Jon Melvin
13	Raintree Community HOA	Bambi Njamfa*
14	Baldwin Hills Estates HOA	Ronda Jones*

Neighborhood Organizations (No Recognized Homeowners Association)

15	Ladera Crest Homeowner	Rene Talbott*
16	Baldwin Vista Homeowner	Irma Munoz

School Districts

17	Los Angeles Unified	Glenn Striegler*
18	Culver City Unified	Katherine Paspalis*

Neighborhood Organizations (All Others)

19	Windsor Hills Block Club	Toni McDonald-Tabor*
20	Community Health Councils	Erin Steva
21	Baldwin Hills Conservancy	David McNeill
22	The City Project	Daphne Hsu *