



BALDWIN HILLS CSD SETTLEMENT

After more than two years of critical and collaborative discussions between the City of Culver City, Concerned Citizens of South Los Angeles, Citizens Coalition for a Safe Community and Community Health Councils, the oil field operator, Plains Exploration and Production Co. (PXP), the California Attorney General's office and the County of Los Angeles, all parties have agreed to the following conditions that will adequately augment the protections contained in the Baldwin Hills Community Standards District (CSD).

When combined with existing provisions of the CSD, these 15 additional mitigations provide a satisfactory framework for safeguarding the health, safety and security of the surrounding community.

The new conditions will . . .

1. Reduce number of wells that PXP can drill over the life of the CSD from 600 to 500.
2. Create incentives for abandonment of wells close to Sensitive Developed Areas and concentrate drilling in the center of the oil field.
3. Require additional air quality monitoring along the perimeter of the oil field.
4. Require reduction of nighttime noise levels.
5. Mandate studies to assess feasibility of "Slant Drilling" away from Sensitive Developed Areas.

6. Enhance ongoing health assessments with an environmental justice focus.
7. Require more effective landscaping that will be installed faster.
8. Require completion of a Fracking Study.
9. Reduce the number of drill rigs that can be used at one time from three to two.
10. Require implementation of clean technology.
11. Initiate an electrical distribution study to reduce the unsightliness of utility lines throughout the field.
12. Strengthen standards related to well abandonment.
13. Restrict use of back-up flare.
14. Require ongoing clean-up of the oil field.
15. Require CSD review when oil production levels drop significantly.

This settlement expedites the resolution of significant community concerns and allows the focus to shift to constructive dialogue, implementation, monitoring and establishment of a more effective working relationship between the County, PXP, residents and community organizations.

BALDWIN HILLS CSD SETTLEMENT: QUESTIONS AND ANSWERS

2

1. WHAT WILL BE THE REDUCTION IN THE NUMBER OF OIL WELLS?

This settlement reduces the number of wells that PXP can drill over the life of the CSD (until 2028) from 600 to 500.

2. WHAT ADDITIONAL SAFEGUARDS ARE BEING PUT IN PLACE TO PROTECT THE HEALTH OF THE SURROUNDING COMMUNITY?

The settlement requires additional air quality monitoring around the perimeter of the oil field.

The CSD requires that air quality be measured only at drill rigs, and that wind patterns be determined at a meteorological station on the field. Under the new settlement, an additional air quality monitoring plan will be implemented by the County of Los Angeles to assess air quality at the perimeter of the field. The peer-reviewed plan will be completed in 12 to 24 months, and is expected to cost the County \$250,000.

In addition, the settlement requires ongoing environmental justice and health assessments.

The County will complete an initial "Community Health Assessment" by June 2012. Phase I of the assessment includes a comprehensive analysis of mortality, cancer and birth defect rates for the census tracts surrounding the oilfield. The report can be found at <http://ridley-thomas.lacounty.gov/Environment/index.php/InglewoodOilField/>.

Phase II of the assessment is ongoing and includes a qualitative health survey of 1,000 community members.

The settlement requires the Department of Public Health to conduct additional assessments every five to seven years throughout the life of the CSD.

3. WHERE WILL FUTURE WELLS BE DRILLED? HOW MANY WELLS WILL BE DRILLED PER YEAR?

The settlement creates incentives for PXP to abandon wells close to Sensitive Developed Areas and concentrate drilling in the center of the oil field.

While the current CSD allows PXP to drill up to 45 new wells per year. This new settlement will initially cut the annual total to 30 new wells. PXP will be permitted to drill up to 45 wells only if it abandons wells within 800 feet of sensitive areas – two new drilling permits will be granted for each well abandoned.

When PXP has drilled 50 wells, or after 24 months, whichever comes first, the Director of Planning may raise the limit to 35 new wells per year if he determines that the CSD has been effective in "protecting the health, safety and general welfare of the public." At that time, PXP can also drill additional wells if it abandons wells in developed areas, up to a total of 53 new wells per year.

The settlement also reduces the number of drill rigs that can be used in the oil field at one time.

PXP will now only be allowed to use only two drill rigs at any time. Under the current CSD, PXP is allowed to operate three drill rigs. Less drilling will reduce noise, improve air quality and minimize other undesirable effects.

In addition, the new settlement also mandates studies to assess the feasibility of "Slant Drilling" away from developed areas.

When PXP is drilling into a deep zone of the oil field, and the tops of the well are located closer than 800 feet to a Sensitive Developed Area, then PXP will conduct a study of the technical and commercial viability of Slant.

BALDWIN HILLS CSD SETTLEMENT: QUESTIONS AND ANSWERS

Drilling each of the new deep zone wells away from Sensitive Developed Areas. For “Mid Zone Wells”, PXP will use commercially reasonable efforts to locate new mid-zone wells and well pads away from Sensitive Developed Areas.

4. HOW WILL NOISE BE REDUCED?

The settlement requires a reduction of nighttime noise levels.

Currently, PXP must not exceed five decibels (dBA) above nighttime baseline noise levels from 10 p.m. to 7 a.m. Now, PXP will be required to limited noise levels adjacent to Sensitive Developed Areas to no more than three dBA during those nighttime hours.

In addition, the settlement restricts PXP’s use of their back-up flare.

The CSD allows PXP to maintain its existing gas plant flare at the oil field even after a new required flare is installed. However, there was no prohibition preventing PXP from using both flares simultaneously. The new settlement specifies that PXP will only be able to use the old flare as a back-up – putting to rest concerns associated with use of the back-up flare, including significant noise and air quality impacts.

5. WHAT AESTHETIC IMPROVEMENTS ARE REQUIRED?

The settlement mandates that more effective landscaping be completed faster.

Currently, PXP has up to five years from approval of landscaping plans to implement landscaping around the oil field. Under the settlement, PXP will complete all required landscaping within three years after approval by the County. In addition, PXP will strive to complete the first two phases of its Landscape Plan along La Brea, between Stocker and Slauson, and Ladera Crest, using best landscaping practices, within nine months of the County’s final approvals. The County has already approved the landscaping plan along La Brea and planting should begin shortly.

In addition, the County will initiate an Electrical Distribution Study to reduce unsightliness of utility lines.

The County will work with PXP, Southern California Edison, and the Los Angeles Department of Water and Power to look for opportunities to streamline and consolidate electrical lines throughout the oil field.

The settlement also requires ongoing cleanup of the oil field.

PXP was required to develop a Clean-Up Plan under the CSD. Additional provisions ensure that PXP will periodically update their Clean-Up Plan and promptly remove unnecessary equipment from view.

The settlement strengthens standards related to well abandonment.

PXP has to abandon wells with a 150-foot cement surface plug, compared to the current requirement set by the State’s Division of Oil, Geothermal and Gas Resources (DOGGR) of 25 feet. This will ensure potential grading of the land will not require re-abandonment of wells.

BALDWIN HILLS CSD SETTLEMENT: QUESTIONS AND ANSWERS

4

6. WILL PXP CONDUCT “HYDRAULIC FRACKING”? WILL THAT BE ALLOWED IN THE FUTURE?

Fracking is regulated by the State of California’s Department of Conservation’s Division of Oil, Gas and Geothermal Resources (DOGGR). The County is pre-empted from regulating this activity. In Baldwin Hills, PXP currently uses high pressure gravel packing which is considered a type of fracking by the oil industry and experts. However, the current technique used at the oil field is different than hydraulic fracking which is used for shale and coal gas recovery. High pressure gravel packing involves the pumping of water, gravel and a small amount of additives (less than one percent, made predominantly of guar gum) down the well to prevent sand in the formation from plugging the well and is similar to what is done for the completion of water wells that are located in sand aquifers.

The new settlement requires that an independent consultant be retained to conduct a study of the feasibility and potential impacts (including impacts to groundwater and subsidence) of fracturing operations. The current CSD does not require this type of analysis.

7. WHAT WILL BE DONE TO MAKE OIL FIELD OPERATIONS MORE ENVIRONMENTALLY SUSTAINABLE?

The settlement requires that clean technology be implemented in oil field operations.

PXP has agreed to address the feasibility of using natural gas-powered drill rigs or other technology capable of reducing environmental impacts in its Annual Drilling Plan. During the Periodic Review of the CSD, the Director of Regional Planning will require PXP to implement such technology on new equipment to the extent the technology is feasible and commercially available. The CSD currently requires PXP to identify clean technology opportunities, but there is no requirement that feasible and available technologies be implemented.

8. WHEN WILL DRILLING END?

The CSD is in place to regulate drilling through October 2028. However, if production drops to 630 barrels per day, the new settlement provides the County with the discretion to review the CSD to consider whether modifications or closure of the oil field is appropriate.

9. WHAT HAPPENS WITH THE EXISTING CSD?

The CSD and all of its standards and requirements remain in full force effect except to the extent that this settlement creates stricter and more rigorous controls on the operations of the oil field.

For more information about the CSD:

Department of Regional Planning

Contact: Leon Freeman

Email: lfreeman@planning.lacounty.gov

Phone: 213-974-6453

Website: www.planning.lacounty.gov/baldwinhills

To report a complaint:

Plains Exploration and Production (PXP)

Ombudsperson: Lisa Paillet

Email: LPaillet@pxp.com

Phone: 800-766-4108 (24 hours a day/7 days a week)

Website: www.inglewoodoilfield.com

If the complaint specifically relates to smoke, dust and odors:

Contact the South Coast Air Quality Management District (SCAQMD)

Phone: 800-288-7664

Website: <http://www.aqmd.gov/>