

**2025 CALIFORNIA LAND RECYCLING CONFERENCE**  
*TRANSFORMING LAND, EMPOWERING COMMUNITIES*

# The Climate is Changing: Oil Production Site Redevelopment for Community-Serving Investment

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**OFFICE OF BROWNFIELDS**  
Department of Toxic Substances Control - Cleanup In Vulnerable Communities Initiative



# Panel and Takeaways

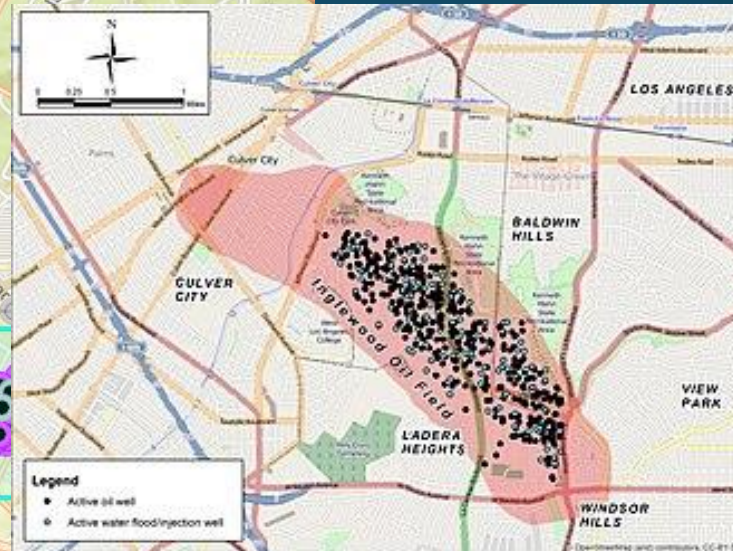
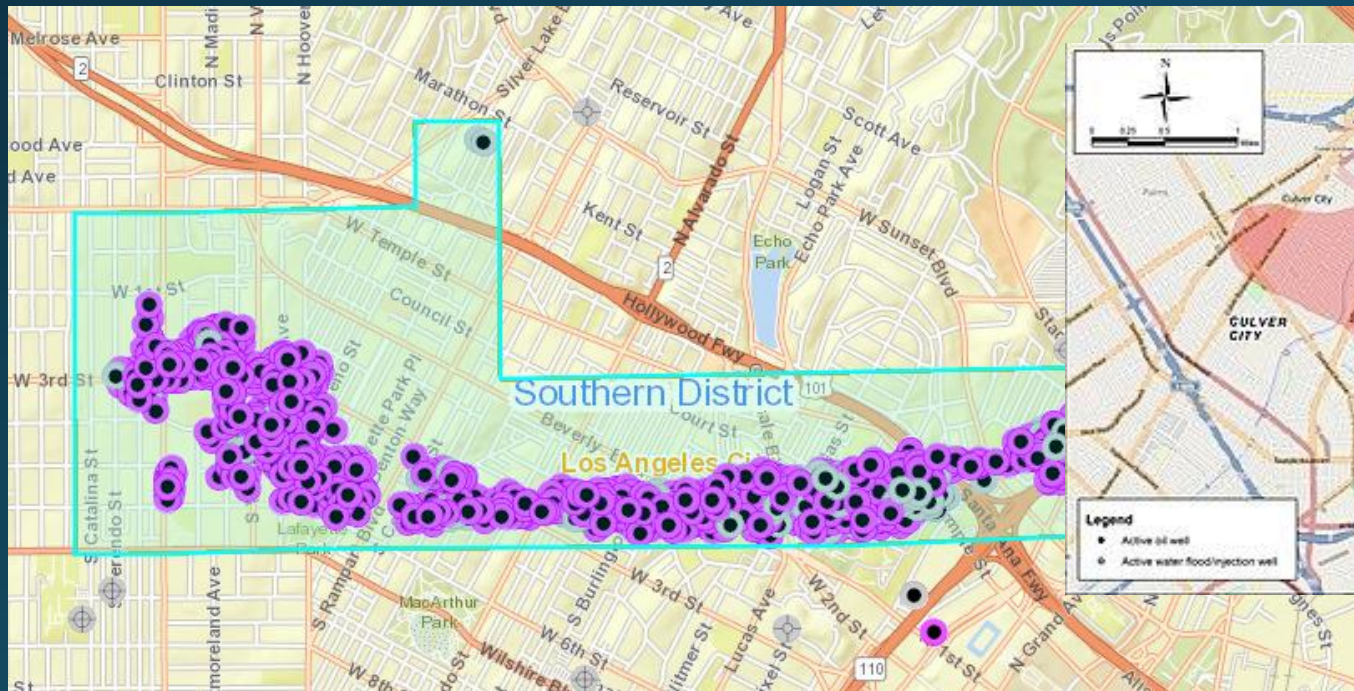
Presenters will walk us through:

- High-level understanding of increasing development pressure on current/historic oil production property.
- An oil production to housing/community amenity project headed by LANLT (Bz).
- High-level fundamentals anyone contemplating a project like this should be familiar with. Reducing the “unknown unknowns” (Jake).
- What happens when things don’t go the way folks had hoped (Perry).



# Inglewood (Baldwin Hills), LA Oil Fields

- Los Angeles City Oil Field – biggest CA producer at the turn of the 20<sup>th</sup> century.
- Baldwin Hills – still America's largest urban oil field.
- The LA urban landscape “grew up around” oil.



# Long Beach, 1948



# Angelenos adapted, until they didn't

- Perhaps your well was disguised. Many were not.
- Climate, activism, justice, redevelopment pressure – oil is migrating out of the LA Basin.





<https://www.citizenoftheplanet.com/vista-hermosa>

# Oil departs, redevelopment begins

- West Jefferson and smaller oil production property redevelopment is happening now and Baldwin Hills will happen as well. Someday.
- Developer and community partner process-understanding is the foundation for safe and sustainable redevelopment projects.



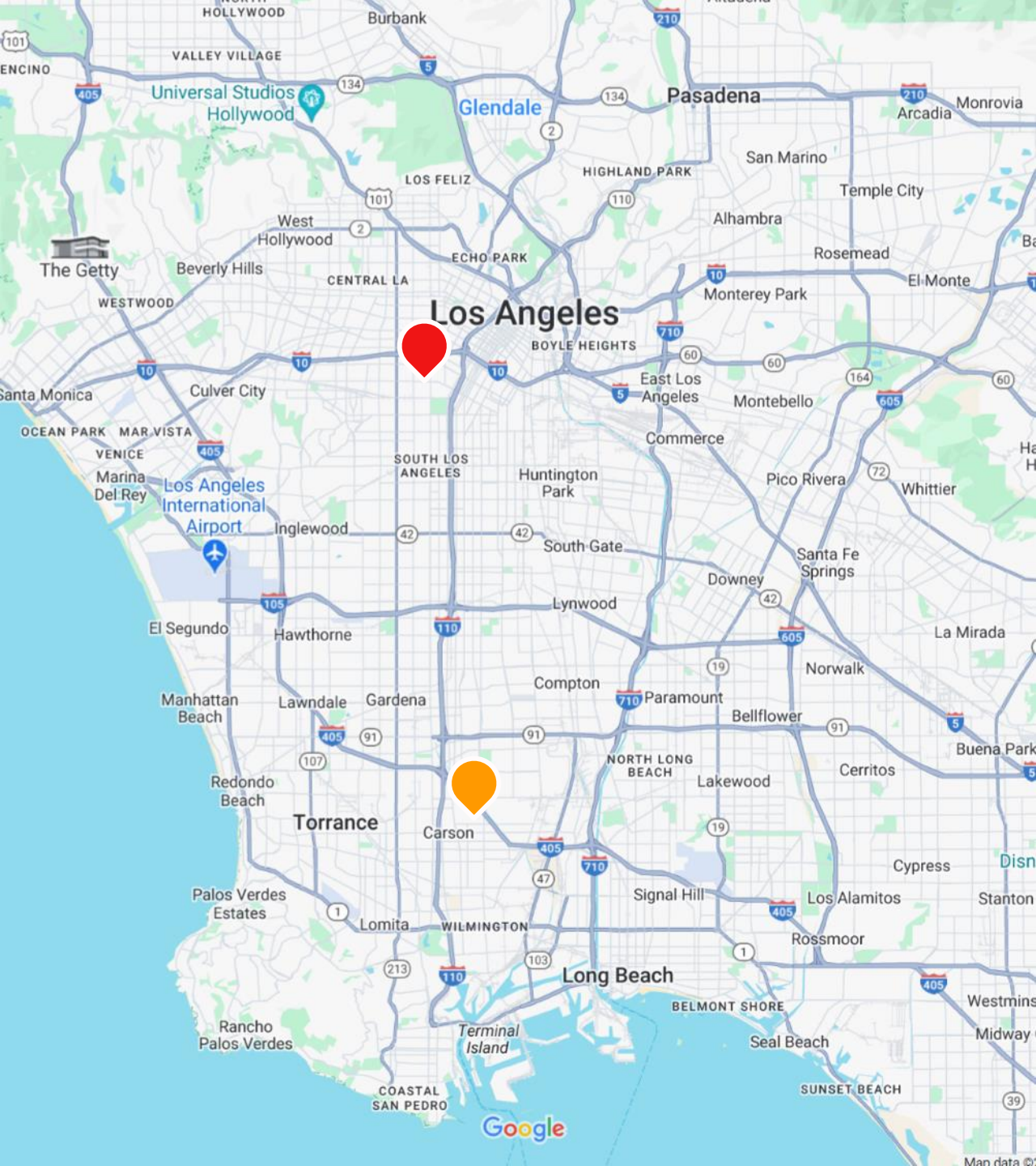


# Los Angeles Neighborhood Land Trust

Health & justice through  
parks & gardens

- Founded in 2002
- 30 Parks & Gardens / 22 acres
- Serving 500,000 in LA County

Bz Zhang, AIA, NOMA / [bzhang@lanlt.org](mailto:bzhang@lanlt.org)



# Jefferson Park & Affordable Housing Project

## Los Angeles, California

1.86-acre former oil drilling site

- 2018: shut down by community partner, RCP, & communities
- 2023: acquired by LANLT





# Jefferson Park & Affordable Housing

## COMMUNITY PARTNERS:

- Redeemer Community Partnership (RCP)
- Stand Together Against Neighborhood Drilling Los Angeles (STAND-LA) coalition
- Neighborhood Housing Services of LA County (NHS)\*

\*on deck, awaiting community input to refine scope

## PUBLIC PARTNERS:

- Asm. Reggie Jones Sawyer (CA 57), \$10m, acquisition
- CA State Parks, \$5.8m, park development
- CA DTSC, ECRG, \$500k, remediation planning









## 2013–2018 – Community Organizing



# 2019–2020 – Community Visioning\*



\*more forthcoming this fall!

# 2023–now – Remediation Planning



# Jefferson Park & Affordable Housing Project



**Thank you!**

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# **The Climate is Changing – Oil Production Site Redevelopment for Community- Serving Investment**

## So You Think the Property Has An Oil Well? What to do?

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- Don't Panic!
- Information is key.
- Don't assume -- either way!
- The Faster you start diligence the better.

# Mineral and Oil Well Diligence

- Pre-Closing

- Review Your Title Report!
  - Are there Severed Minerals?
    - Do the Severed Minerals have Surface Access Rights?
    - Will the Minerals be Severed?
  - Are there Oil and Gas Leases?
    - Extant/Expired?
  - Work with the Title Company.
    - ALTA 35 Endorsement Coverage.
    - If you have Plans, ALTA 35.3 “LUD”.
    - Especially if You will have Financing.

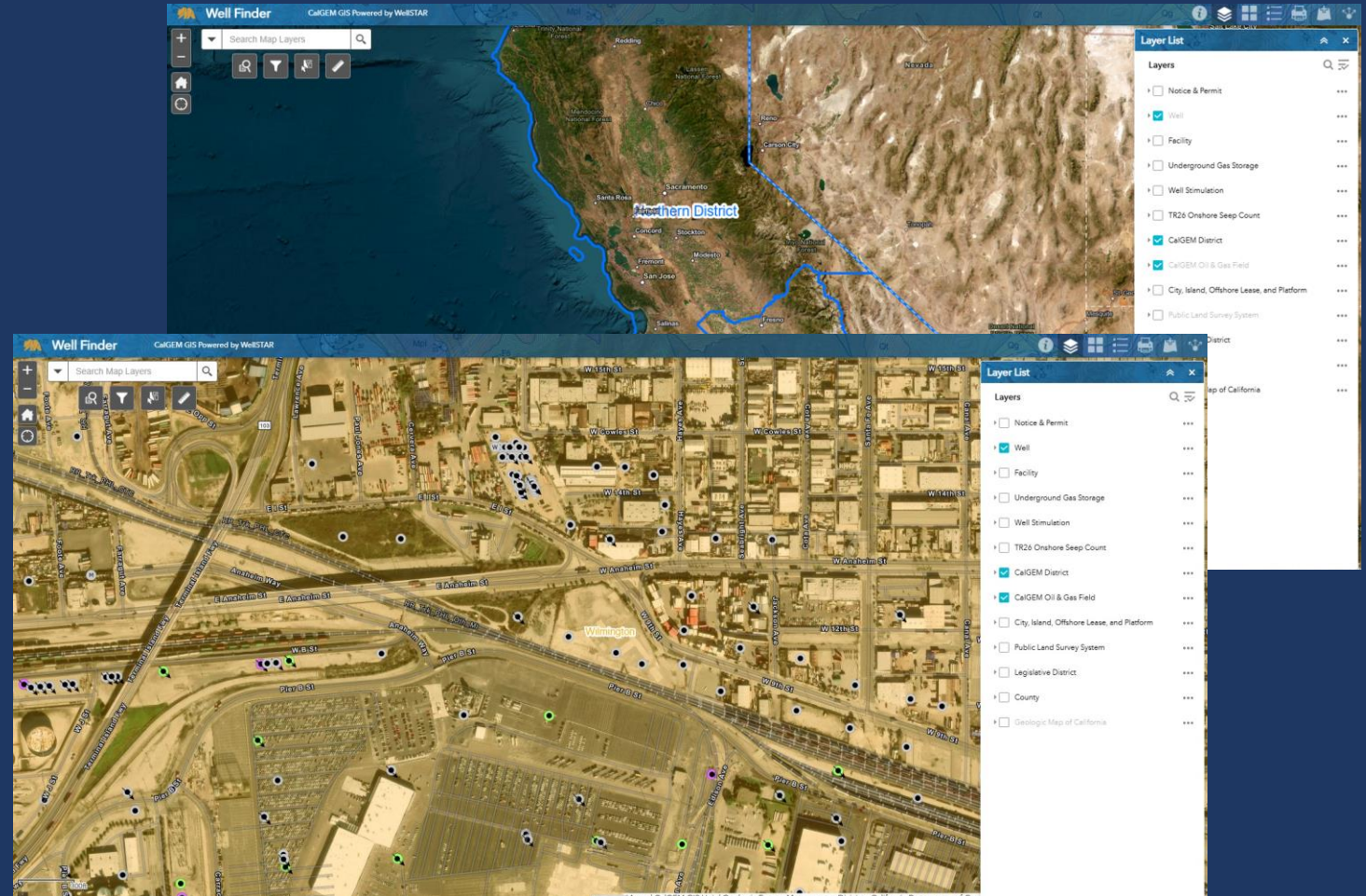


ALTA  
American Land Title Association

# Mineral and Oil Well Diligence

- Pre-Closing

- Is there Evidence of Oil Wells?
  - CalGEM's Well Finder Site.
    - Find The Property.
    - Click on the Dots.
    - Gather the Well Info.
      - » Status (Idle, P&A)
      - » Operator of Record
    - Pull the Well Records.
    - Yellow is an Oil Field.
  - Well Locations are Notoriously Off.



# Mineral and Oil Well Diligence

- Pre-Closing

- BMP: If There are Multiple Wells, look for Subsurface Pipelines.
- If You have Your Proposed Design:
  - Are any Buildings Located over Existing Wells?
    - Expect to Reabandon these Wells.
  - Are any Improvements Located in “Close Proximity” to Existing Wells?
    - 10x10x50 “Rule”: “Ten (10) feet of separation on two sides of the well, fifty (50) feet of separation on the third side of the well, and the remaining side of the well open, with an unobstructed vertical clearance for well service and rig access.”
    - Signal Hill Ordinance § 16.24.050
    - Long Beach Ordinance § 18.87.030
    - You may have to Reabandon these Wells.
- BMP: If the Seller is the Operator of Record, Negotiate Post-Closing Obligations Up Front and Record at Closing (i.e., a SURGE Agreement).

# Mineral and Oil Well Diligence

- Post-Closing(?)
  - CONVINCE THE PERMITTING AUTHORITY (CITY, COUNTY, LA COUNTY FIRE, ETC.) THE WELLS DO NOT NEED TO BE REABANDONED IN ORDER FOR YOUR DEVELOPMENT TO PROCEED.
  - \*\*\*\* → How? ← \*\*\*\*
    - Are the Wells Safe in Their Current State? Are the Wells Leaking?
    - Can Access be Maintained?
  - Recruit a Petroleum Engineer or Enviro Consultant (Ramboll) to Assist.
  - Construction Site Well Review Program (CSWR) Through CalGEM.
    - RECOMMENDATION ONLY!
    - Letter is Pro Forma and Recently Revised.

# Mineral and Oil Well Diligence

- Post-Closing(?)
  - Are the Wells Safe?
    - Survey the Wells. Where Exactly are They?
      - GeoTech (GPR) and Likely Excavate the Wellhead.
        - » You Break It, You Own It.
    - Schedule Leak Testing (City/County and CalGEM)
      - If Leaking (Which is Rare), then CalGEM Likely to Contact OofR.
      - If Not Leaking, City/County and CalGEM Sign-Off.
  - Can Access Be Maintained?
    - 10x10x50 “Rule”.
    - Landscaping and Parking Lots Generally Don’t Count Against Access.
    - Negative Easements on Property to Maintain Access.

# Mineral and Oil Well Diligence

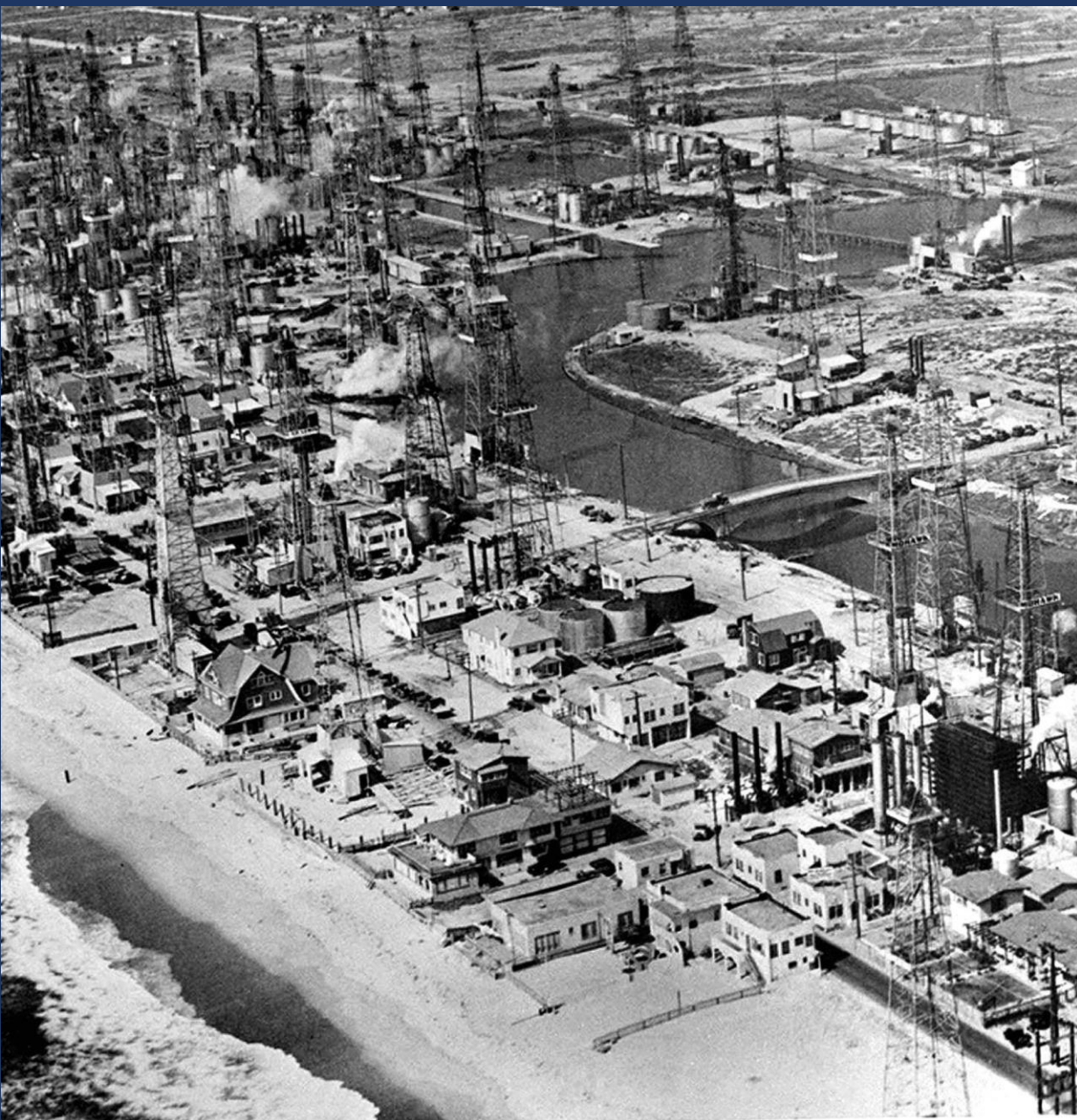
- Post-Closing(?)
  - Not Leaking? Good.
  - Access Maintained? Good.
  - Well Safety Report Drafted by PE or Environmental Consultant.
  - Submitted to the Permitting Authority.
  - Likely Peer Reviewed.
  - If Approved, You May not Have to Reabandon.
  - **Not Dispositive**. Even if You Check All the Boxes, Permitting Authority Can Still Required you to Reabandon.
  - Environmental Indemnity Will Be Required If Approved.
  - Approval Does Not Alter CalGEM Jurisdiction.

# Mineral and Oil Well Diligence

- Required to Reabandon or Undertake Surface Modifications?

- Must Become Operator of Record for the Wells.
- Conveyance of Wells from Current Operator of Record.
- Document Filing With CalGEM.
- Bonding.
- Orphaned Wells.
- Filing of Well Plan with CalGEM.
- 4-6 Months at Minimum.
- Average Cost is \$250,000/Well.
- Final CalGEM Sign-Off.

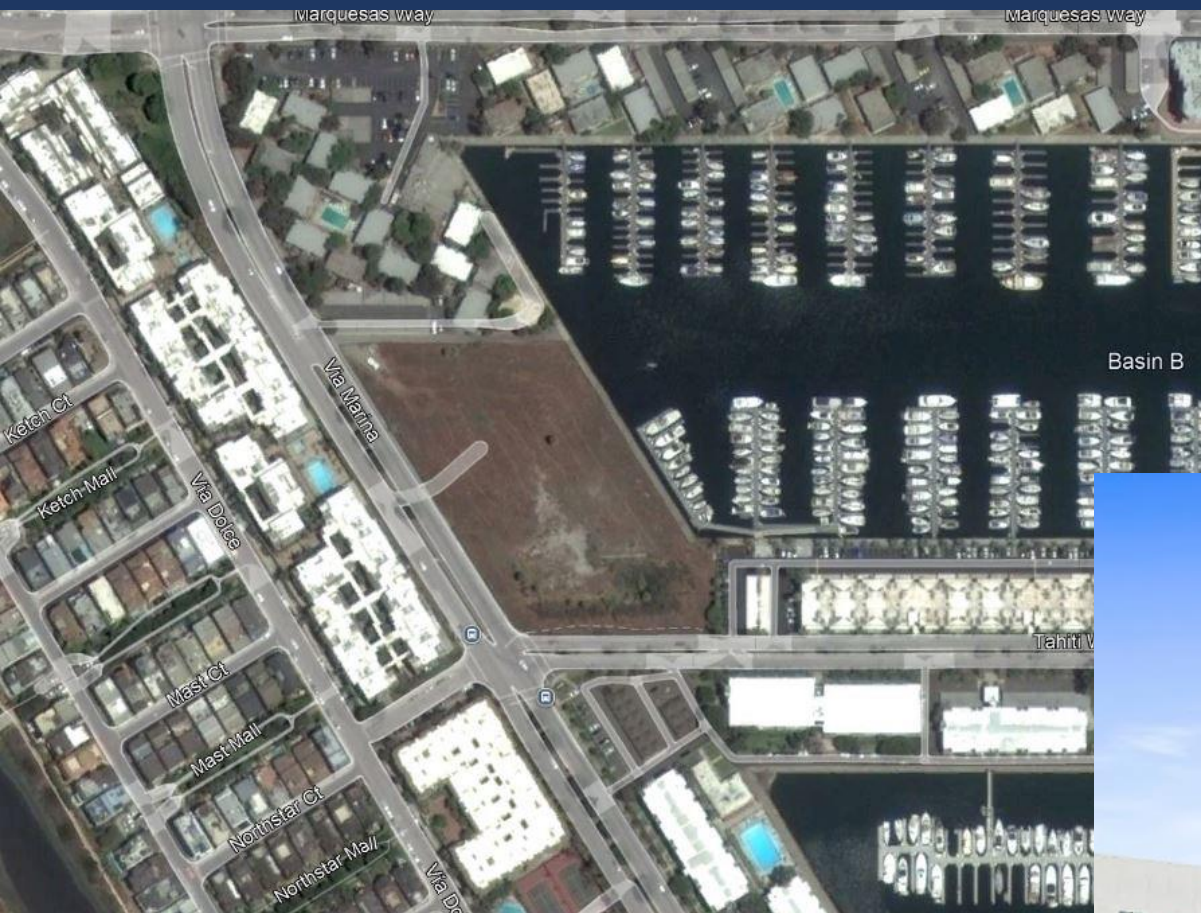




## So The Property Has An Oil Well, What's The Worst That Can Happen?

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- Cost to abandon the well
- Delay in construction and development
- Increased cost of construction and development
- Increased cost to finance the project
- Delayed opening of development, resulting in lost profit



## Hotel Project in Marina del Rey



# Due Diligence Failure

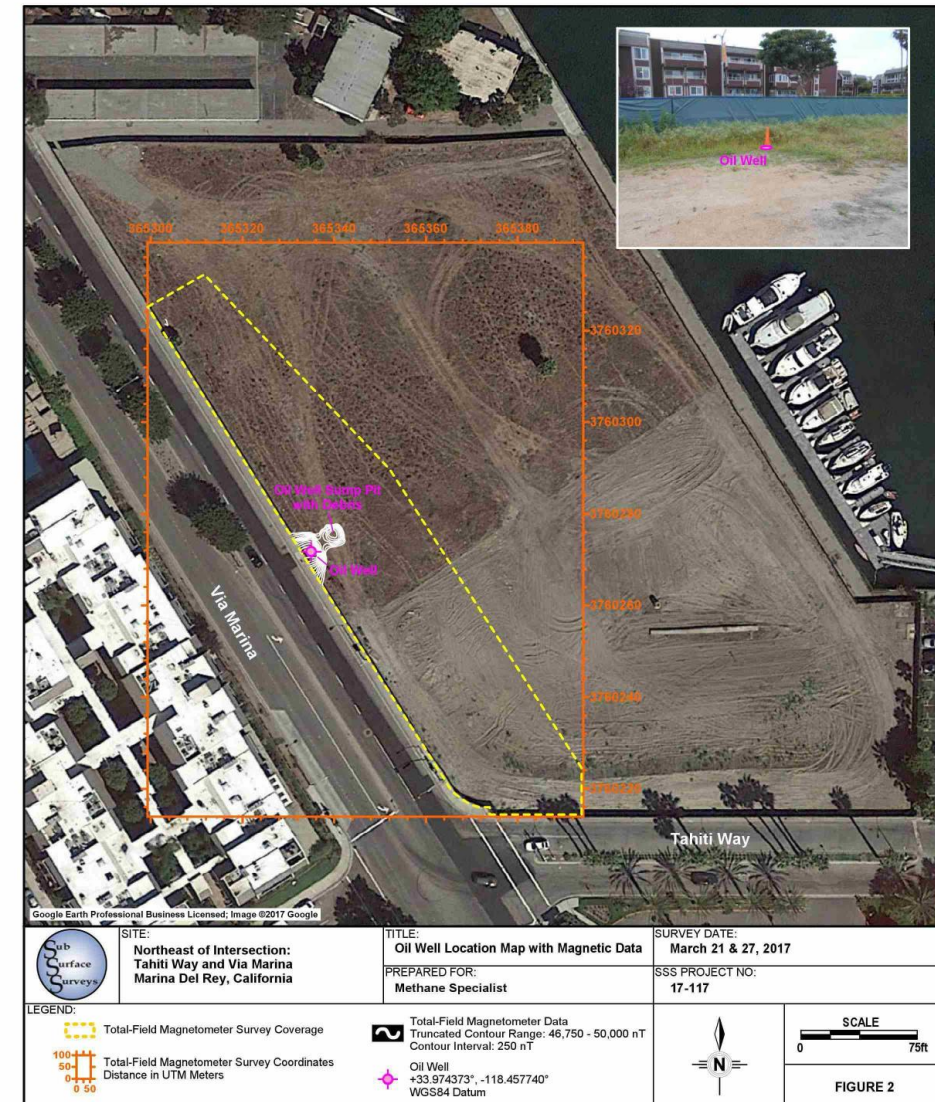
Three Separate Geophysical Surveys  
Consistently Identified Oil Well At Edge of  
Property

## May 2008 Survey

- “The instrument's response was unequivocal, resulting in very high confidence that here the well was positively located to within  $\pm 1$  foot”

## April 2017 Survey

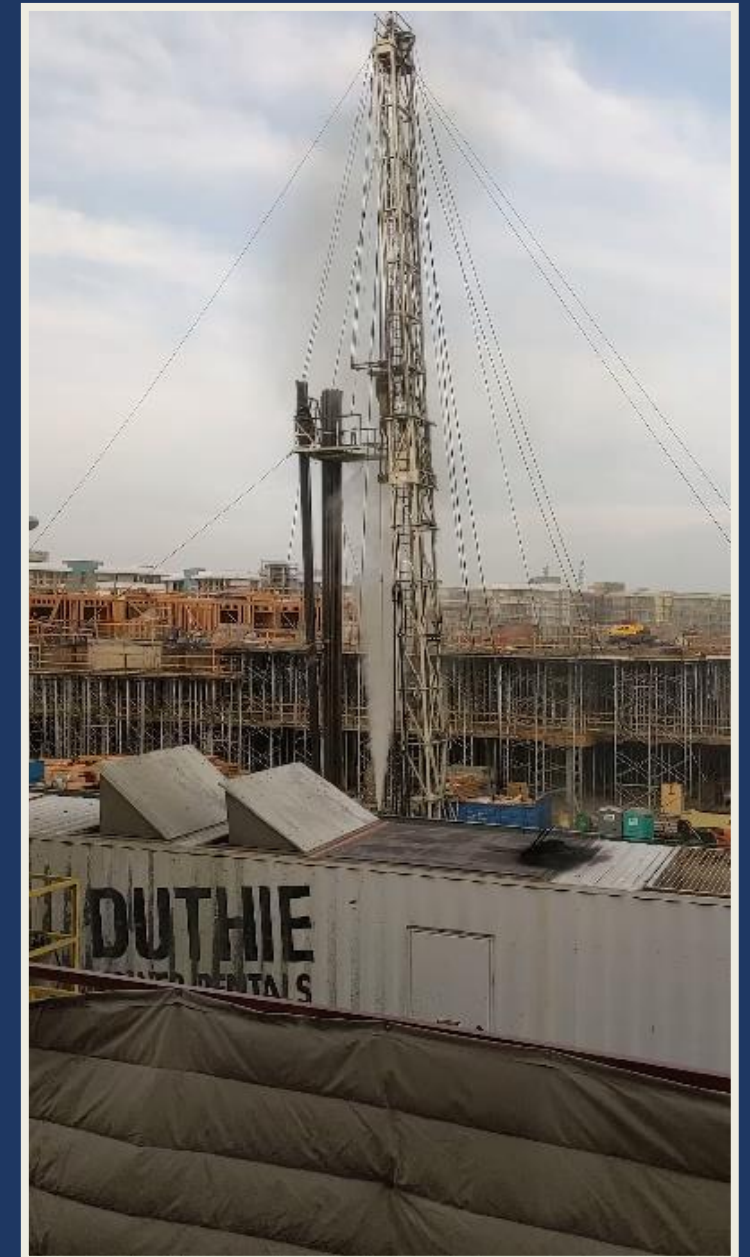
- “the gridded data in this report is now considered to be definitive”



CALGEM00010305

# Oil Well From Hell

- Top of well buried fifteen feet below surface due to construction of marina
- Petroleum-impacted soil found at level of well
- Surface casing was thin metal known as “stovepipe casing”
- Competent casing was twenty-five feet below top of well
- Casing throughout well was cut and misaligned
- Old metal chunks and piping left in the well
- Annulus space between casing and soil generally left open
- Hundreds of open perforations in production casing at depth
- High pressure gas still existed in formation



# Litigation Against the Operators

- Developer brought claims against former operators, Marathon Oil and Dow Chemical
- Litigation was lengthy and costly
- Claims based in Nuisance and Trespass
- Nine months later, still awaiting outcome

## Operator's Lease Required Dow To Do The Following:

"Carrying on all operations ... In a careful and workmanlike manner and in accordance with the laws of the state..."

"On the expiration of the lease ... remove all structures and foreign matter and shall leave the premises in substantially the same condition as existed on the 5<sup>th</sup> day of February 1929"

3. That Lessee shall carry on all operations on the demised premises in a careful and workmanlike manner and in accordance with the laws of the State of California and shall keep full records of its operations and of the production of gas, oil and other hydrocarbon substances from said property and sales thereof, and such records and the operations on the property shall at all reasonable times be open to the inspection of Lessor.

5. That on the expiration of this lease or if sooner terminated Lessee shall quietly and peaceably surrender possession of the premises to Lessor and deliver to it a good and sufficient quitclaim deed and shall fill all sump holes, shall remove all structures and foreign matter and shall leave the premises in substantially the same condition as existed on the 5th day of February, 1929. That in case Lessee desires to abandon any well and Lessor desires to retain the same, Lessor may notify Lessee to that effect, and thereupon Lessee shall leave such casing in the well as Lessor may require, and Lessor shall pay Lessee fifty (50%) per cent of the original cost of such casing on the ground.

# Summary of Alleged Damages Stemming from Year-long Delay Caused by Well

• Cost of Well Reabandonment	\$11.8 Million
• Cost to Dispose of Petroleum-Impacted Soil	\$1.6 Million
• Increased Cost of Construction	\$5.2 Million
• Increased Finance Expenses	\$14.2 Million
• Lost Income from Delay	\$10.7 Million

Total

\$43.5 Million

# Lessons Learned

- Never enough due diligence
- Initiate Well Review with CalGEM ASAP – Very likely to require reabandonment
- Initiate reabandonment effort ASAP
- When time allows, consider engaging prior operator of well
- Very few tools available for landowners to pursue prior operators
  - Need statutory liability for prior operators similar to CERCLA
  - Need industry funded Reabandonment Fund similar to Underground Storage Tank Fund



# Thank You

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Transforming Land, Empowering Communities  
September 16-18, 2025 | Carson, CA



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CENTER FOR CREATIVE  
LAND RECYCLING  
RECLAIM. CONNECT. TRANSFORM.

# THANK YOU



**TOGETHER WE EMPOWER  
COMMUNITIES THROUGH  
THE TRANSFORMATION OF  
BROWNFIELDS**

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